

**TREASURY, POSTAL SERVICE, AND GEN-
ERAL GOVERNMENT APPROPRIATIONS
FOR FISCAL YEAR 1977**

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
NINETY-FOURTH CONGRESS
SECOND SESSION

**SUBCOMMITTEE ON THE TREASURY, POSTAL SERVICE, AND
GENERAL GOVERNMENT APPROPRIATIONS**

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PART 4
INDEPENDENT AGENCIES

Printed for the use of the Committee on Appropriations



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1976

67-382 O

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UNITED STATES CIVIL SERVICE COMMISSION
WASHINGTON, D.C. 20415

IN REPLY PLEASE REFER TO

YOUR REFERENCE

Honorable Tom Steed
Chairman, Subcommittee on Treasury,
Postal Service, and General Government
Committee on Appropriations
House of Representatives
Washington, D. C. 20515

MAR 31 1976

Dear Mr. Steed:

We appreciate this opportunity to provide a considered response to the wide-ranging and detailed questions on executive and management development which were provided by the Subcommittee on Treasury, Postal Service, and General Government. The long-term efficiency and effectiveness of the Federal Government will be very positively influenced if we can upgrade the skills and abilities of current managers and executives and systematically develop those highly talented employees who will become the managers and executives of the future. We need your understanding, support, and advice, and that of the other members of your Subcommittee in this endeavor.

Answers to the Subcommittee questions are attached. Also attached is a copy of a letter I am sending today to Chairman Mahon which deals more broadly with some of the critical issues and concerns in the executive development area. We will be happy to meet with you to provide additional information or to submit further written material.

Sincerely yours,

Robert E. Hampton
Robert E. Hampton
Chairman

Attachments

THE MERIT SYSTEM—A GOOD INVESTMENT IN GOOD GOVERNMENT



UNITED STATES CIVIL SERVICE COMMISSION
WASHINGTON, D.C. 20415

IN REPLY PLEASE REFER TO

YOUR REFERENCE

Honorable George H. Mahon
Chairman, Committee on Appropriations
House of Representatives
Washington, D. C. 20515

March 31, 1976

Dear Mr. Chairman:

We appreciate the interest and attention which you and the Committee on Appropriations have given to the subject of executive and management development. It is our belief that the surest way to bring about both long and short-range improvements in the execution of public programs is by upgrading the skills and abilities of senior career managers and by raising the level of merit competition for these key management positions through systematic development efforts. Executive Development has been receiving Presidential attention; we hope the interest expressed by your Committee will give further impetus to this vital area. Accordingly, any assistance and advice regarding our efforts is welcome, as is any evaluation of our progress to date.

The purpose of this letter is to deal in a general way with some of the critical issues in executive development and concerns which we have in this area, and to state clearly our objectives in regard to executive development and management training.

The objectives of the Commission's executive development and management training programs can be stated quite simply. They are:

1. To improve the effectiveness and efficiency of the Federal Government through upgrading the skills and abilities of supervisors, managers and executives.
2. To ensure that highly qualified candidates will be available to compete under merit procedures when an agency must fill executive and managerial vacancies.

In this context, we would like to point out that we do not equate executive development with training. Executive development, as we use the term, is a broad concept covering all means of ensuring that potential managers are equipped to undertake managerial responsibilities and that existing managers have the skills and abilities to execute their responsibilities with optimum effectiveness. Training, per se, is only one

THE MERIT SYSTEM—A GOOD INVESTMENT IN GOOD GOVERNMENT

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of the tools we have to accomplish these ends. Executive development, in this sense, is a comparatively new emphasis for the Federal government as a whole and has not become fully institutionalized in most agencies. We are far behind private industry in this respect.

In the private sector executive development is recognized as an essential capital investment to ensure continuing organizational effectiveness. As such it is part and parcel of good management. In the Federal government, we have finally come to appreciate this truth. What we are talking about is not an ever-expanding central capability for training delivery. Executive development need not require vast expenditures. What it does need -- and desperately -- is a solid and stable commitment of the Government to long-term organizational maintenance and improvement.

What should be the role of the Civil Service Commission in this? We believe we have an obligation, along with the Office of Management and Budget, to attempt to convince agency top management that executive development is a "must." Beyond that, our first rule is, whenever possible, help the agencies do the job; only as a last resort do it centrally. We have found over the years that most executive development and managerial training activities can be handled and handled well by the individual agency. We will set up a centrally managed program only when this will supply high quality services at a cost saving to the Federal Government or when a government-wide perspective is necessary.

We see three broad executive development goals for the Federal Government in the immediate future:

1. Executive development must be institutionalized in the agencies and become an integral part of a total system by which the agency forecasts its needs for managers and by which people are prepared to fill managerial positions.
2. The mechanisms and procedures used by agencies in the total system referred to in (1) above must be made as efficient, effective and fair as possible.
3. Use of the myriad of training delivery sources -- public and private -- and special purpose development programs should be given coherence through the device of the Individual Development Plan (discussed below).

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In accomplishing these goals, we will have to do the following to:

- Assist agencies in the design and installation of executive development programs.
- Help agencies develop methods for estimating realistically upcoming executive needs and for relating the scope of executive development programs to these needs.
- Ensure the executive development program does not operate in isolation from the executive selection process.
- Coordinate training delivery and special development programs to make certain that development dollars are spent to meet real needs.
- Evaluate the effectiveness of existing training delivery and special development programs.

Our plans with regard to these items are as follows:

1. Assistance to Agencies. We will be working more closely with agencies on the details of their executive development programs in FY 1977. Our plan is to provide this additional technical assistance with only a modest expansion of our present small executive development staff in the Bureau of Executive Manpower. We will do this by making executive development assistance part of the routine responsibility of all staff members who deal with agencies on executive manpower matters. Our training staff will likewise step-up its technical assistance to agencies in the areas of selecting and evaluating training.
2. Relating Manpower Planning, Executive Development and Merit Selection. We are in the process of developing a technical assistance paper titled Executive Manpower Planning Guidance, which will suggest methods and procedures agencies may use to tie together their executive manpower planning, executive development and executive merit selection systems. A recommended way to coordinate these systems is to establish an Executive Resources Board made up of key line officials, which would oversee the projection of executive needs, the establishment of executive development programs, the selection and assessment of participants for these programs, and the merit selection process for career executive vacancies.

We will soon issue a revised set of instructions to agencies covering the executive manpower management area. This supplement to the Federal Personnel Manual will stress the need for a comprehensive approach to planning, development and merit selection in the executive manpower management area. We will be consulting with personnel directors on the same subject at a Personnel Directors Conference in April.

3. Pilot Projects. We have been consulting extensively with agencies on the development of the technical assistance paper mentioned in (2) above. We plan to work intensively with several agencies which have already made progress in relating planning, development and selection in pilot efforts to perfect their approaches. We will then encourage other agencies to use these working systems as models. This should speed the process of installing Government-wide improvements.
4. Emphasis on the Individual Development Plan. The Commission already requires Individual Development Plans (IDP) for all new managers, advancing managers, and employees identified as having high potential for managerial assignments. The IDP is a document prepared jointly by the individual employee and his supervisor, detailing the employee's short and long-range career goals, his developmental needs to meet these goals, and a specific plan for meeting these developmental needs. IDP's are not a wish list. They must take into account the organization's requirements as well as the individual's ambitions and abilities. We have already issued technical guidance to the agencies on the preparation of IDP's (Individual Development Planning.)

We plan in FY 1977 to begin to use the IDP to bring about more coherent use of the variety of available training opportunities and management development programs Government-wide.

5. Increased Emphasis Upon Evaluation. Agencies are being urged to focus attention on executive manpower in their internal evaluation processes. In addition, the Bureau of Executive Manpower and the Bureau of Personnel Management Evaluation have initiated reviews of executive development in the agencies and are developing techniques and procedures for a more intensive approach to the evaluation of executive development activities in FY 1977. Commission and agency evaluation staffs will be involved.

In the technically difficult realm of evaluation of the impact of training delivery, considerable progress is being made. Training Value Model I, designed to measure productivity increases resulting from training for employees who are engaged in activities with

readily measurable outputs, has been in the hands of Federal agencies for over two years. The Commission is nearing the final stages in the design and testing of an instrument to measure training-related increases in productivity of individuals, such as supervisors and managers, who do not have a readily-measurable work product. This evaluation device will measure dollar value of improved managerial proficiency resulting from training and relate it to the dollar cost of training. The evaluation approach will also provide a means of determining the minimum increase in managerial proficiency necessary if the manager's organization is to recover its investment in training.

The evaluation efforts described above concentrate on assessment of agency progress. We are fully mindful of our obligation to similarly scrutinize our own programs. Below is a discussion of several important management training and special purpose development programs for which the Commission is responsible.

The Executive Seminar Centers (ESC)

The Executive Seminar Centers were established to meet the perceived needs of Federal executives and managers. Originally the Seminar offerings dealt with public policies regarding the national economy, science and technology, intergovernmental relations and the environment. Course offerings have been revised over the years in response to changing conditions. It is expected that there will continue to be changes in the future both in amount of training provided and the subject matter covered. This is the nature of a dynamic program.

As an example, two new courses were recently added to the curriculum at the four Executive Seminar Centers -- Seminar for New Managers and Seminar for Advancing Managers. As the title indicates, the former is designed for persons new to the managerial field. The other Seminar is designed for managers who are changing from one managerial position to another and who need additional training. Both Seminars were developed in response to the universal management training needs discovered through the extensive Commission study, "Managerial and Executive Development Needs in the Federal Service and Recommended Actions for Meeting These Needs." Standardized course packages were developed so that agencies would have a degree of certainty that their managers would be receiving similar training regardless of the training site.

We have kept, and will continue to keep, the costs of training provided at the Executive Seminar Centers at the lowest possible level consistent with a quality product. Any expansion of the program will be made only after it is fully determined that this is the best way of meeting agency training needs.

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experience on a seven-point scale. Recently, a 20 percent random sample of alumni of FEI's principal residential programs were asked again to rate the value of their FEI experience after the passage of time. The average overall rating given by executives immediately after completing the program was 6.11 (on a scale where 7 represented the highest possible evaluation). On the recent follow-up questionnaire, the average evaluation was 5.92. This is an exceptionally high positive retention rate for the impact of an educational program.

This is not to say that more and better evaluations by agencies and the Commission of FEI impact on work performance are not desirable. It is necessary, however, to recognize that in executive-level education, qualitative evaluations, including reputational evaluations, are essential if one is to be at all practical. Most executive positions are such that even "quantitative" evaluations of work performance are simply qualitative evaluations with numbers assigned to them. It is important to understand that most Federal executives have risen through rather narrow occupational and program specialties. Their competence as managers is necessarily enhanced by the broader perspectives they receive during their attendance at FEI.

The FEI has been in existence for less than 10 years. Over that period there have been substantial changes in the FEI program offerings. While we still believe that many executives need a substantial period for self-examination and in-depth study of government programs and management concepts, we think that shorter programs are also needed, and these have now become prominent in the FEI schedule.

Different executives have quite different needs, and different agencies likewise have different requirements at different times. For that reason, the FEI programs have not been static, and there is no intention at the Institute or in the Commission, generally, of allowing them to become static.

The Federal Executive Development Program (FEDP)

The Federal Executive Development Program was launched in FY 1974 as a small-scale pilot effort to provide special developmental opportunities for a highly select group of GS-15's with exceptional managerial potential. The FEDP is jointly sponsored by the Office of Management and Budget and the Civil Service Commission.

Both the first and the second annual programs (FEDP-I and II) were one-year full-time programs involving one or more mobility assignments, usually of an interagency character. And both FEDP-I, administered by the OMB, and FEDP-II, administered by the Civil Service Commission, were experimental programs, in which both the basic concept and specific features of the programs were to be tested.

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During the planning stages of FEDP-II careful consideration was given to a number of problems which were identified, through concurrent evaluation, by agencies, the OMB, and the Commission in the first pilot program. In particular, we found that:

- Agencies were not deeply involved in the first program, which resulted in cutting participants off from their home agencies;
- The projected market for generalist supergrade managers had been overestimated; and
- Our initial selection process had been cumbersome and quite expensive.

Modifications were made in the format of the second pilot program and a comprehensive evaluation plan was adopted. This called for assessment of the value of each work experience by the participant and the work supervisor, interviews with participants, personnel directors and agency coordinators, and long-term tracking of the career progress of participants and of control groups. (Long-term tracking for participants in FEDP-I will also be conducted.)

Preliminary analysis of the evaluation data on FEDP-II to date (the program is still in progress) indicates that, from the perspective of the participant, FEDP-II has been quite successful. That is, by and large, the participants felt that they would return to their agencies better able to undertake executive responsibilities because they had developed new skills and more importantly a deeper understanding of their own agency in relation to the Federal Government as a whole. Indications are that many of the developmental assignments have produced products of considerable value to the host agency. However, problems remain in meshing the FEDP concept with overall agency executive development efforts.

For this reason we have involved the Committee on Executive Manpower of the Interagency Advisory Group (a group of agency personnel directors) in further assessment of the program and in the development of the third pilot program, FEDP-III. This has just been announced. Major changes have been made in the format to make for a closer link between FEDP-III and agency needs, to make it possible to tailor the FEDP experience to the Individual Development Plans of participants, and to drastically reduce program costs.

The most significant difference between FEDP-III and the two earlier pilot programs is that they required a complete separation of the participant from his regular job while FEDP-III does not. It is a part-time program which will require that a total of six months of a

Based on various studies, made beginning in 1971, we estimate that residential managerial training programs of the Commission will require a capacity to accommodate 4,000 participants annually by FY 1979/80 or about 7½% of all persons identified as holding managerial positions in grades GS-13 through 15 annually. This would represent an increase of 1,200 (from the present capacity of 2,800 to 4,000) and is expected to be concentrated primarily on the eastern seaboard, where the preponderance of potential participants are assigned.

As mentioned above, we have been engaged in an intense effort to develop a first-of-its-kind methodology in measuring productivity increases resulting from managerial training and hope to be able to apply it soon. In the meantime, we will continue to gather evaluative material from each participant attending courses at the Executive Seminar Centers and from their parent agencies. Evaluation of this kind, to date, has shown that the use of the ESC's is an effective and efficient means for providing Federal managers with both programs covering broad policy issues and those dealing with more specific knowledges and skills.

The Federal Executive Institute (FEI)

The Federal Executive Institute was established by Presidential order on May 9, 1968, to serve the training and development requirements of high-level Federal executives, primarily at grade levels of GS-16 and above. The basic goals of FEI are to augment the ability of the upper civil service in order to insure high-level competence, responsiveness, and continuity among those near the top of government; to insure that executives in the Federal service identify with the government as a whole in the pursuit of national goals, objectives, and priorities; and to develop individual executive knowledge and skills in processes for accomplishment of desired results.

The Charlottesville site for the FEI was identified by the General Services Administration in the spring of 1967. The following criteria were considered: (1) an optimum distance from Washington, D. C. -- far enough away to discourage participants from living at home, so as to maintain an intensive and rigorous residential program, and close enough to permit convenient access to resources of the Nation's capital; (2) proximity and complete access to highest quality university resources in all major disciplines; (3) immediate access to complete medical and dental services; (4) proximity to varied business services; (5) proximity to diverse public civic services; (6) a self-contained, retreat environment, away from work and family demands, conducive to maximum utilization of time and supportive of intense study and reflection; and (7) accessibility for training participants and visiting resource persons.

In 1973, a major Civil Service Commission task force met to reconsider FEI's location. At that time, alternative sites were again examined. The relationship between the Federal Executive Institute and the University of Virginia was evaluated, and the task force concluded that the University of Virginia had not only maintained a superior reputation, which would again justify its selection as a site for a Federal executive and managerial training center, but that it had also demonstrated over a six-year period a capacity to work with the Federal Executive Institute in meeting a wide array of executive training facility requirements. Experience of the last three years continues to support that conclusion.

The proposal from the Civil Service Commission and the General Services Administration to Congress in November 1974 for a new facility for the Federal Executive Institute and for a Managerial Training Center included projection for a 20-year period and for a facility to be usable for 50 years as a minimum. The projection called for utilization of major portions of projected space for managerial level training during initial years of use of a new facility and gradual expansion of executive level training to fill more of the facility by the year 2000.

Reassessment of this proposal by the Civil Service Commission resulted in a direction from the Commission on December 19, 1975, to explore the possibility of construction of a facility for FEI only. Pursuant to that Commission directive, the General Services Administration is currently studying a CSC proposal for an 80-bedroom facility at a probable construction cost of about \$4,510,000, and an annual rental rate in 1979 of about \$425,712. An 80-bedroom facility would be only slightly larger than the present FEI facility of 69 bedrooms. Provision would be made for utilization of some of that space during the next few years for agency conferences.

The question has been raised as to why the Commission wishes to expand a facility which has acknowledged problems in filling its present capacity because of inadequate agency demand for its services. The FEI recognizes these problems and has attempted to identify and correct their causes. The root cause appears to be poorly institutionalized executive development programs. Those agencies which do have well-established executive development programs generally are heavy purchasers of FEI shares -- and these agencies also tend to make full use of the shares they purchase. We would, therefore, anticipate that, as agencies improve their executive development programs, their demand for FEI training will increase.

Certainly the FEI's problem does not seem to have anything to do with acceptability of its offerings to the executives who attend. At the conclusion of each program, graduates are asked to evaluate their FEI

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participant's time be spent away from his regular job over a two-year period. The periods in which the individual is away are to be arranged at the agency's and the individual's convenience.

Another important difference relates to selection. Primary selection responsibility rests with the agency. This is in line with the principal objective of FEDP-III, "To serve as a stimulus for the establishment and improvement of agency executive development programs." Giving primary selection responsibility to an agency Executive Resources Board or similar instrumentality places the agency in a position where it will want to make the program work.

We hope that these two modifications will have the dual effect of making this a more tightly managed and efficient pilot program and at the same time a more effective stimulus for broader agency executive development activities. As mentioned earlier, the cost of this third model is much less than that of either of the two earlier models. This third pilot program will be intensively evaluated, too, before any definite decision is made on the long-range future of the program.

Other Training Delivery and Special Purpose Development Programs

In addition to the FEDP, there are several other special purpose development programs which the Civil Service Commission either sponsors or for which it has some responsibility. Those which are relevant to executive development include:

- The Fellowship in Congressional Operations. This provides some 10 months of work and study of the legislative process for a select group of career employees at GS-11 through GS-16. This program provides an indepth understanding of the role of Congress as it relates to the executive branch of Government. The experience equips participants with the detailed knowledge to assist their agencies to interact intelligently with the various committees and Congressional staffs. All indications are that this program is a highly useful small-scale effort.
- The Intergovernmental Personnel Program. Federal agencies in the past several years have made varying use of the IPA mobility program as a tool for executive development. Agencies have found that mobility assignments offer executives and mid-level managers opportunities to work on significant public policy problems at different government levels, to broaden their perspectives, and to establish intergovernmental linkages that are essential for successful operations. Despite the successful use of these opportunities in some agencies, it is clear to us that much more can

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be done along these lines in most Federal agencies. In the months ahead we will be working in both the Interagency Advisory Group Committee on Mobility and in that on Executive Manpower to promote greater use of IPA mobility assignments for developmental purposes.

- The Education for Public Management Program. This provides nine months of university study for selected mid-career employees who have been identified by the agencies as having potential to assume increasing responsibilities in the overall direction of agency programs. The EPM program is limited in scope (70 to 80 persons annually). Typically, participants are specialists (e.g., accountants, scientists), in mid-career, who are being prepared for program management positions and who need to have broader perspectives. The Commission continuously monitors the results of the program. We are planning follow-up review of the program with agencies in 1977.

Beyond these Commission-supported programs, there are a variety of management training and educational opportunities offered by such private sector organizations as the Brookings Institution, the American Management Association, and universities. Most of these programs appear to have something of value to offer. The Commission, however, is not in a position to endorse any of these programs to the exclusion of others. Again, the use of these and of Government-sponsored programs must be based on actual need.

Training is an investment to increase productivity. This is its primary reason for existence. If the proper training is given to the right people, it pays dividends in improved accomplishment of the public's business far in excess of the short-run productivity loss during training. I would not contend that these conditions are now invariably met, and it must be our constant concern to see that they are. I believe, however, that the approaches I have outlined above will go a long way toward reaching this objective.

Sincerely yours,

Robert E. Hampton
Chairman

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A.1. COMMENT:

The Civil Service Commission's (CSC) Bureau of Executive Manpower (BEM) is responsible for exercising Government leadership in the XD area; issuing Government-wide policy directives on XD; providing technical assistance to agencies, and evaluating the XD accomplishments of agencies. In addition, the Office of Management and Budget (OMB) has declared XD a "high" priority item.

QUESTION:

Considering the BEM's responsibilities in XD and the high priority of XD, why have two or one-half of the BEM's professional XD staff, including the Chief of the Bureau's XD Section, been allowed to go on concurrent long-term mobility assignments during FY 1976?

RESPONSE:

The fact that two of the employees of the Executive Development Section are currently away from the Bureau does not in any way reflect the assignment of low priority to the CSC executive development effort. There are legitimate reasons why these particular individuals were permitted to go on detail. The Chief of the Section is assisting in launching the Federal Law Enforcement Training Center in Glynnco, Georgia. The other employee is on a mobility assignment with Howard University and the League of Cities.

Despite these details, during the period the Investigative team was on site, the Executive Development staff was essentially up to its current ceiling of four professionals and one secretary. This was managed through detailing staff from elsewhere in the bureau. One of these professional employees has been engaged full-time in coordination of the FEDE-11 program and in the evaluation of that program. The other, the Chief of the Systems Development and Evaluation Section, was able to devote from 80 to 90% of his time to Executive Development matters from the time the Chief of the Executive Development Section went on detail in December 1975. This was possible because the highly competent staff of the Systems Development and Evaluation Section was able to carry on the work of the latter section for the two-month period involved with minimal supervision. The Chief of the Systems Development and Evaluation Section has within the last month been relieved of all duties relating to his former position and is directing 100% of his time to the executive development program. Not one day went by without a fully-qualified person acting in the position of Chief, Executive Development Section. Our replacement for the Chief of the Section has an extensive background in executive manpower management and organization planning and has been heavily involved in the evaluation of executive development programs for several years.

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A.2. COMMENT:

The CSC is responsible for monitoring the implementation of the FPM (Federal Personnel Manual) Letter No. 412-2, "Executive and Management Development" (this is the primary document governing the establishment and implementation of XD programs).

QUESTIONS:

What is the CSC currently doing in the way of monitoring agencies to ensure that progress in implementing the FPM Letter No. 412-2 is on target? How many man-years of effort are or will be devoted by the CSC to such monitoring? How does the CSC know the implementation of the FPM Letter No. 412-2 by the agencies is even feasible?

RESPONSE:

FPM Letter 412-2 is an extremely flexible document, which can be readily adapted by an agency to its particular program needs. Its requirements are simple common sense ones. Each agency must:

- (1) Identify all of its managerial positions.
- (2) Determine the knowledge and ability requirements of these positions.
- (3) Identify all employees newly selected for their first managerial position.
- (4) Identify all managers selected for a new managerial position.
- (5) Assess the existing managerial knowledge and abilities of the managers identified in (3) and (4).
- (6) Implement a system to identify employees who have high potential for management positions.
- (7) Prepare individual development plans for new managers, advancing managers, and high potential employees.

In line with these broad guidelines, agencies design their own executive development systems to meet their particular needs and circumstances.

We know that implementation of FPM Letter 412-2 is feasible because we have seen agencies make it work. The Animal and Plant Health Inspection Service and the Agricultural Research Service in the Department of Agriculture, the Federal Trade Commission, the General Services Administration and the Naval Weapons Lab, Dahlgren, Virginia, are examples of the variety of diverse organizations which have implemented the FPM Letter with considerable success. In general, agency reaction to FPM Letter 412-2 is favorable. Some agencies are having problems with a few of the requirements, but none has claimed that these cannot be worked out.

The basic approach to CSC oversight of agency implementation of FPM Letter No. 412-2 is as follows: (1) As part of the regular CSC direct evaluation effort, involving on-site surveys to various Federal installations each year, Commission evaluators focus on executive development

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whenever it has been identified as a problem area of personnel management. This aspect of the Commission's evaluation program is essentially problem-oriented, bringing to bear the Commission's evaluation resources on major problems, issues and concerns that require evaluation. Thus, executive development may be covered as part of a general evaluation, or it may be addressed as a subject for special inquiry, when it has been determined to be a problem that requires the expenditure of evaluation resources. (2) Special program management and evaluation efforts are carried out by the Bureau of Executive Manpower, essentially as a supplement to the Commission's regular evaluation program. In such cases, a special evaluation team is sent to conduct a programmatic (as distinct from a problem-oriented) review of executive development activities in a particular agency. (3) Finally, through its monitoring, evaluation and technical assistance efforts to promote improved agency internal personnel management evaluation systems, the Commission helps to assure that the agencies themselves monitor the implementation of required programs such as those outlined in FPM Letter No. 412-2.

With respect to activity (2) above, approximately 2.5 staff years are currently programmed by the Bureau of Executive Manpower for evaluation of all aspects of executive manpower management (including XD) and for other activities directly related to implementing FPM Letter 412-2 in FY 76 and in FY 77. However, it is not possible to determine the total number of staff years of effort that have been or will be devoted by CSC to monitoring this particular FPM Letter. The amount of time spent on executive development in the conduct on activities (1) and (3) above is not recorded. Since this particular area represents only one of literally dozens of specialized aspects of personnel management, it is simply not feasible to account for staff year expenditures on this basis.

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A.3. COMMENT:

Various reports have indicated that the CSC's "Executive Inventory" is not being used to any significant extent by agencies in selecting executives. In addition, a report issued by the CSC's audit staff indicates that, as far back as FY 1972, the cost of maintaining this Inventory was \$654,000 per year.

QUESTIONS:

Considering the reportedly limited use and high cost of the "Executive Inventory," how does the CSC justify its continued maintenance? What is the current cost of maintaining the "Executive Inventory?"

RESPONSE:

The Executive Inventory is a computerized roster of GS-16's, 17's, and 18's, and others in equivalent positions in other salary schedules. It also includes GS-15's and equivalents as a feeder group. The Inventory has multiple functions. It is used:

- to assist agencies in filling executive positions,
- to provide information to management, Congress, agencies, and others,
- to generate the annual report to Congress required by 5 U.S. Code, Section 5114,
- to provide special assistance to State and local governments, international organizations, and non-profit organizations.

Each of these is discussed in detail below.

Filling Executive Positions

The Inventory was established pursuant to the mandate of Executive Order 11315 (which created the Executive Assignment System) that the Commission establish facilities to recruit well-qualified persons for Career Executive Assignments from among employees holding such assignments and other eligible employees. It was designed to be an adjunct to agency merit promotion plans and not a replacement for them. Federal Personnel Manual Supplement 305-1, Employment Under the Executive Assignment System, advises agencies that they are required to consider employees identified through the agency's merit promotion plan in filling a career executive assignment as well as individuals referred from the Inventory. The concept behind the Inventory was to promote interagency mobility by providing a facility through which well-qualified candidates from outside the agency with the vacancy could be identified as executive assignment opportunities became available. The system was also intended to provide a standard of quality against which the qualifications of agency-identified candidates could be assessed.

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Search of the Inventory originally was mandatory when it was established in 1967. This is no longer the case. FPM Letter 305-9, March 5, 1971, invited agencies to negotiate agreements to determine in advance when search and referral will be required and when it will be waived. As an example, the agreements permit waiver of the search requirement when an agency has a well-established career program in a given occupational area. This program change has resulted in a marked decrease in the number of referrals made from the Inventory. The FY 1972 data used in the Civil Service Commission staff report shows 550 referrals compared to 235 referrals in FY 1975. However, essentially all of the searches now conducted represent legitimate efforts (as opposed to pro forma compliance with requirements) on the part of agencies to identify candidates for supergrade vacancies.

Providing Information

On the average, about 75 requests for information are answered annually, ranging from simple ones to ones requiring special analyses.

Following is an illustrative list in random order of some actual requests filled in the last few years.

- List of supergrade women for the Counselor to the President, White House.
- Extensive data for the Presidential Advisory Commission on Executive Salaries.
- Rate of promotion data for Bureau of Policies and Standards, Civil Service Commission.
- Retirement trends for the White House.
- Retirement trends for President's Pay Panel.
- Study of noncareer executives for Civil Service Commission Executive Director.
- Study of women and minority executives for Assistant Executive Director for EEO, Civil Service Commission.
- Numerous requests from academia including study of executives with Public Administration degrees for National Association of Schools of Public Affairs and Administration.
- Study of executives with computer background for U. S. Army, Fort Lee.
- Study of Federal Executive Institute graduates for Federal Executive Institute.
- Numerous requests from Congress for specific items of information, as, for example, educational level of career executives.
- Numerous studies to plan features of the Federal Executive Service legislation, as for example, an estimate of the number of executives who would opt for a three-year contract.
- Data to support Civil Service Commission legislative testimony.
- Requests from agencies to provide aggregate background data on their executives for manpower planning purposes, e.g., Federal Aviation Administration, Department of Defense, Department of Interior, National Aeronautics and Space Administration.

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- Study of GS-15's with degrees in Psychology for American Psychological Association.
- Computer tape extracts of all agency registrants for employing agencies, e.g., Department of Navy, Department of Interior and Department of Defense.

Generate Annual Report to the Congress and Mailing Lists

Computerization of the Annual Report to the Congress provided the Congress with more extensive information, in an easier-to-use format, at the same time saving the Government an estimated \$10,000 annually. The Inventory also provides automated mailing labels by which a variety of materials are sent to either the whole executive group or to selected portions of it.

Providing Special Assistance to State and Local Government, etc.

The records of retirees are retained in a special Inventory file. These are used from time-to-time by non-Federal organizations looking for short-term or part-time expertise.

As to the costs of maintaining the Executive Inventory, the \$654,000 figure cited in the question is not, and never was, representative of the actual annual cost of maintaining the Inventory. The report in which this figure was given was trying to make the point that no cost calculations were systematically made by the Bureau of Executive Manpower (as of FY 1972) and that such calculations were feasible. The \$654,000 figure was a hypothetical one to show only how such calculations could be made and did not purport to represent actual costs.

In FY 1975 the Civil Service Commission spent \$92,000 in maintaining the Inventory (compared to \$150,000 in FY 1972). The costs of searching the Inventory and providing candidates to agencies amounted to another \$169,000 in FY 1975. The total costs attributable to the search process, then, amounted in FY 1975 to \$261,000 minus a portion of the Inventory maintenance cost which should be allocated to the other four uses of the Inventory (about 50 percent, or \$46,000). Since 235 referrals were made in 1975 for a total cost of \$215,000, the average cost per referral was just over \$900. Of the 235 referrals, 122 resulted in selections of individuals previously unknown to the agencies conducting the searches. Based on the FY 1975 data this represents a cost per placement of \$7,679. It is difficult to put a dollar figure on the value of filling a key executive position with a well-qualified individual. The only yardstick we have is a comparison with what the private sector is willing to pay for such services; this is reported to be in the range of from \$10,000 to \$15,000 per placement.

As far as the other four uses of the Inventory are concerned, it is extremely difficult to put a dollar value on them. The Inventory has been of invaluable assistance to management in program planning. Knowledge of the characteristics of executives and of their career patterns is basic to the Civil Service Commission's leadership role in personnel management.

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The Inventory is a unique resource representing a substantial Government investment that should not be discarded lightly. Whether or not the Inventory is really cost effective is a matter of judgment as to the worth of the services it performs. The Civil Service Commission considers these services to be worth the cost of maintaining the system.

As can be seen from the preceding discussion, the value of the Inventory has been continually reassessed since its inception and changes have been instituted to improve both its cost effectiveness and its true value to agencies in staffing their executive positions. As part of this continuing assessment, the Inventory was one of the topics discussed by the recently-formed Interagency Group on Executive Manpower. This group, which is comprised of the Directors of Personnel from 23 agencies with large numbers of supergrade positions under Civil Service Commission purview, unanimously endorsed the continuation of the Inventory.

It should be noted that the Civil Service Commission for several years has been developing a government-wide Federal Personnel Management Information System (FPMIS). When the exact coverage of the FPMIS has been fixed, the Civil Service Commission plans to evaluate its needs critically to determine whether the Inventory should continue as a distinguishable entity or whether the basic FPMIS coverage might adequately meet those needs.

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A.4 COMMENT:

It has been reported that agencies are reluctant to establish formal XD "high potential" identification systems in connection with their XD programs because of a nagging suspicion that such systems are contrary to merit promotion principles and the spirit of the competitive civil service. In other words, agencies believe "high potential" identification is tantamount to preselection and results in the establishment of "crown princes" who get all the promotions.

QUESTION:

How does the CSC respond to such criticism and what is the CSC doing to guide agencies in their efforts at establishing effective "high potential" identification systems?

RESPONSE:

One of the requirements of FPM Letter 412-2 is that agencies implement operational systems to identify individuals with high managerial potential. By the term "operational" we meant a formal system completely integrated into personnel management operations and fully documented by appropriate policy statements, implementation, directives and program descriptions.

Agencies have always identified high potential employees. However, the identification process has usually been haphazard, inconsistent, highly subjective, and heavily influenced by chance factors. What we are requiring is that this process be handled in a systematic open-and-above-board manner fully consistent with merit principles.

Most promotions to managerial positions should be made from among the high potential group. However, this group is not a static, frozen pool. A person who has been designated as having high executive potential should not retain this designation if his or her performance on-the-job and in developmental assignments is less than exceptional.

Similarly, the fact that an employee has not at a particular time been designated as having high executive potential should not exclude him or her from further consideration for executive development programs. High potential identification systems must provide for systematic consideration of all employees who meet certain minimum qualifications established by the agency, and for periodic reconsiderations of the same population.

The Commission has given considerable advice and assistance to agencies on the establishment of effective high potential identification systems. Of particular significance is our technical assistance paper Considerations in the Identification of Managerial Potential which provides nonprescriptive guidance to agencies in finding a high potential identification process which will fit their particular needs. Among the services provided to agencies by the Commission in this area are:

- Individual consultations with agency representatives on high potential identification problems;
- Consultation on the design and operation of assessment centers; and
- Assistance to various agency and interagency groups on conferences, seminars, and workshops on identification of managerial potential.

We plan in the near future to issue a Federal Personnel Manual Letter to clarify the relationship of high potential identification systems to merit principles.

A.5. COMMENT:

An important means of evaluating the Government's XD efforts is to determine how much is being expended on such efforts.

QUESTIONS:

Can the CSC provide data on the total amount actually expended on XD by the agencies and the CSC/OMB for FY's 1975 and 1976 (to date)? Why isn't XD a budget line item?

RESPONSE:

Neither the Civil Service Commission nor the Office of Management and Budget can provide data on the total amount expended on executive development in the executive branch. Federal accounting systems are not now set up in such a way as to provide this data. We will explore with agencies and the Office of Management and Budget means of obtaining better financial data on executive development. Of interest, however, may be the experience of the Internal Revenue Service which is recognized as having a well-respected Executive Training and Development Program of long standing. In FY 1975, the IRS devoted 1.45% of its training budget to the training of executives. This represented .00018% of the Agency's total budget for FY 1975.

Most executive development takes place on the job and is very difficult to assess from a cost point of view. For example, a special project which an experienced manager could handle in approximately a week may be deliberately assigned to a less experienced manager in order to allow him to acquire new skills and abilities and to give the organization a fall-back capability in case anything happens to the more experienced manager. Assuming that the less experienced manager took two weeks to finish the project, the costing of that portion of the project which relates to development would be extremely difficult. There would be quality differences but you would have only one product and couldn't make exact comparisons. There would be time differences, but you have only an educated guess as to how long the experienced manager would have taken.

It is our thesis that work assignments are the primary vehicle for executive development, with formal training serving as a very important supplement. In light of this, the costing problem illustrated above would be repeated over and over in far more complex situations if we attempted to obtain exact reporting on total executive development costs.

The second portion of your question related to budgeting procedure. We see no substantial benefits to be derived from making executive development a budget line item. Executive development is an essential long-term capital investment -- a necessary cost in the management of every long-term program. It should be viewed as part of

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the basic fabric of management and not as an add-on or special activity. In every program area, continuing investments are needed to avoid managerial obsolescence and to ensure both an upgrading of present managerial capabilities and a supply of future managerial resources. To identify executive development as an overall agency line item would tend to divorce it from the decisions of individual program managers and to make it a program imposed by the agency personnel office upon program managers. It is analogous to other essential support functions which are included in the budget of the line functions they support, not as a separate line item.

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A.6. COMMENT:

Top political appointees of agencies are not always strong supporters of XD (which is a long-term process) because their Government careers only average about 19 months and, thus, their goals and interests are relatively short-term.

QUESTION:

What is the CSC doing to encourage top political appointees to be strong supporters of their agencies' XD efforts? What type of training do political appointees receive in the areas of standards of conduct and responsibilities for perpetuating the agency?

RESPONSE:

The Commission has undertaken a number of initiatives to encourage top political appointees to support executive development. Our most recent effort involves a number of actions taken to publicize and implement the recent Presidential mandate on executive development. In his Budget for Fiscal Year 1977, the President states that "Federal agencies are being directed to strengthen their internal programs of executive selection and training." The Civil Service Commission and the Office of Management and Budget are responsible for assisting agencies in the implementation of this Presidential directive and ensuring that agencies (1) speed up implementation of executive development programs, and (2) relate those programs to the executive manpower planning and selection processes. A joint OMB/CSC memorandum to agency heads on this subject will soon be issued. This memorandum will emphasize that the ultimate responsibility for carrying out the Presidential directive rests with the heads of departments and agencies. It will further point out that Executive Resources Boards (which are composed of top political and career officials) should ensure that those who have participated successfully in executive development programs are fully considered when executive vacancies occur. Also, the Commission's Executive Director will be sending a memorandum to all agency Personnel Directors outlining their responsibilities for assisting agency top management in implementing this Presidential directive.

Other actions taken in an attempt to persuade top political appointees of the need to institutionalize executive development include:

- Involvement of the Office of Management and Budget in various joint OMB/CSC efforts (including a meeting of Ass't. Sec's. for Adm. with OMB Director Lynn and CSC officials) designed to highlight the critical need for allocating resources to long-range organizational maintenance and improvement, i.e., investment of time and money in continuing programs to improve the quality of the career executive and managerial workforce throughout the executive branch.

- In his annual meeting this spring with Under Secretaries and equivalents in the executive departments and major independent agencies, Chairman Hampton will discuss the need for their personal involvement in establishing continuing programs for developing both incumbent and potential executives.
- In December 1974, the Commission's Bureau of Executive Manpower issued a publication titled Your Executive Team, A Guide for the Noncareer Executive Appointee. Although this publication is primarily an orientation aid for new political appointees, it highlights the responsibilities of political officials to ensure that subordinates receive the education, training, and on-the-job experiences necessary to maintain and improve managerial competence.
- For well over a year, the Commission, operating in conjunction with the White House and the Office of Management and Budget, has offered in Washington a Public Service Briefing Program for Policy Executives. This Program provides newly appointed policy executives with orientation materials put together by the White House and key Federal agencies whose programs have a special impact on Government operations and briefings conducted by the Commission. In this Program, the Commission provides information on a variety of matters, including Federal executive development.

We will continue our efforts to encourage political appointees to ensure continuing high quality of Federal career executives through continuing executive development programs.

A.7. COMMENT:

During FY 1974, the OMB and CSC initiated a compulsory XD program which was superimposed on 12 agencies known as the Special Executive Development Effort or SEDE program.

QUESTIONS:

How successful was this program? What was the extent of evaluation performed on this program?

RESPONSE:

In light of the limited objectives and one-time nature of the Special Executive Development Effort, we did not attempt a comprehensive qualitative evaluation of the program. However, statistical reports provided by the participating agencies established the fact that for the first time a cross-section of large Federal agencies took many of the basic steps which are essential in setting up agency-wide executive development programs.

OMB representatives have stated that the Special Executive Development Effort was established primarily to (1) stimulate executive development activities during FY 1974, (2) get the attention of agency top management -- particularly those responsible for budgeting and internal resource allocation, and (3) prove to the agencies that OMB and CSC were determined to "make executive development happen" in the Federal service. There is no question that these limited objectives were achieved.

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A.8. COMMENT:

Under the Intergovernmental Personnel Act (IPA) of 1970, a number of XD projects and mobility assignments are funded each year.

QUESTIONS:

- a) How are IPA elements integrated with agencies' XD programs?
- b) What use do agencies make of the various XD projects funded on behalf of State and local governments under the IPA (e.g., training programs, establishment of XD systems).

RESPONSE:

A.8.a. On September 14, 1973, Chairman Hampton sent a memorandum to the heads of Federal departments encouraging them to make greater use of the mobility program. In this memorandum he noted, "Agency executive development programs are including mobility assignments as a standard procedure." Federal agencies in the past several years have made varying use of the IPA mobility program as a tool for XD.

A recent review of the operation of the mobility program within the Soil Conservation Service (SCS) of the U. S. Department of Agriculture showed, for example, that 150 SCS employees have served on mobility assignments with State and local governments. While the main thrust of the assignments was to perform work that was mutually beneficial to the agencies involved, it is clear that there has been pay-off in terms of XD. The report notes:

Employee reaction to the program is very positive. Although assignments are often difficult and require duties quite different from those normally exercised, employees almost without exception consider the work they've done under IPA to be challenging, publicly valuable, and personally satisfying.

Despite the successful use of mobility assignments for XD in agencies such as the Soil Conservation Service, it is clear to us that much more can be done along these lines in most Federal Agencies. In the months ahead we will be working in both the IAG Committee on Mobility and the IAG Committee on Executive Manpower to promote greater use of mobility assignments in XD.

A.8.b. The results of all IPA grant projects are sent to the CSC's Bureau of Intergovernmental Personnel Programs. All products resulting from training grants (including XD) are sent to the Bureau of Training where they are used in a number of ways. For example, an IPA grant to the Midwest Intergovernmental Training Committee resulted in two products: (1) a book on Evaluation Guidelines for Training Programs; and (2) a book on Assessing Training Needs. These books have been furnished to the Bureau of Training for use by their staff in providing guidance on these subjects to Federal agencies. Training course materials on XD are reviewed by curriculum specialists in the Bureau of Training and adapted where feasible for Federal training courses.

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The Bureau of Training's Office of Agency Assistance and Resource Coordination also uses where appropriate IPA-funded State and local training products when providing guidance to Federal agencies on training matters.

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A.9. COMMENT:

XD programs are integral components of agencies' manpower planning systems. One cannot exist without the other.

QUESTIONS:

What is the CSC doing to get agencies to effectively integrate XD programs with their manpower planning systems? What are the problems in this area?

RESPONSE:

The Civil Service Commission completely agrees with this comment and has been developing guidance material to help agencies integrate Executive Development (XD) programs into their executive manpower planning procedures. In a project begun in October 1975, the Bureau of Executive Manpower has been drafting a new subchapter on executive manpower planning plus other revisions of the Federal Personnel Manual Supplement 305-1 titled "Employment under the Executive Assignment System." In addition, an Executive Manpower Management Technical Assistance Paper (EMTAP) on this subject is being prepared.

The revised Federal Personnel Manual guidance will urge agencies to merge their Executive Assignment Boards and Executive Manpower Resources Boards into a single Executive Resources Board and expand its roles in order to integrate the oversight responsibility for manpower planning, executive development, position management and staffing. The EMTAP will provide more specific guidance with sample procedures and documentation for uniting XD with agency executive staffing plans.

The emphasis in this guidance to agencies is on tailoring XD programs to the Board's forecasts of future staffing requirements. Agencies are also being directed to coordinate Individual Development Plans (IDP's) through the Board's executive staffing review. The use of an agency-wide Developmental Assignment Matrix is being suggested as a way for the Board to carry out its broker role in arranging for developmental exchanges among agency components.

A difficulty arises in attempting to prescribe detailed procedures to agencies which are extremely varied in terms of mission, size, and organizational structure. Many agencies have placed the XD function in a training segment of their organization relatively isolated from other personnel operations such as recruitment and staffing. In order to integrate and oversee these highly interdependent personnel functions, the involvement of top level management is needed. In many agencies this top level participation is currently lacking. We will continue to urge each agency (and provide guidelines, if necessary) to remedy this situation and coordinate executive manpower management through the full participation of agency leadership.

A.10. COMMENT:

In many agencies, "high potential" identification programs do not work because they are divorced from the promotion program.

QUESTIONS:

Why are time and dollars spent developing "high potential" employees if they are not going to be selected to fill executive vacancies? What is the CSC doing to encourage integration of "high potential" identification and development programs with the promotion programs?

RESPONSE:

The Commission agrees that executive development programs must bear a close relationship to the merit staffing process and we are working with agencies to bring this about. The primary mechanism for relating executive development and executive selection is the Executive Resources Board. We believe that the line officials who make up Executive Resources Boards should be heavily involved in identification of potential executives, overall operation of executive programs, and merit selection for executive vacancies. Such a comprehensive planning-development-selection system can be fully compatible with merit principles.

We are not advocating a system in which everyone designated as having high potential would become an executive. Some will be selected out of such programs because their performance in developmental assignments does not meet the very high standards called for. Others will determine on their own that they are unwilling to take all the extra pressures and obligations involved in executive development. However, we believe that those who perform successfully in executive development programs must be given full and fair consideration when positions of greater responsibility become vacant.

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A.11. COMMENT:

A 1975 General Accounting Office (GAO) report on civilian training in the Federal Government stated, that during FY 1973, about 960,000 civilian employees received a total of almost 45,000,000 hours of training costing approximately \$216,000,000. The GAO further stated that if the salaries paid to employees while attending such training sessions were included in this figure (which they should be) total training cost would approximate \$500,000,000. An undetermined, but nonetheless significant portion of this amount, is devoted to executive and management training (the GAO's report did not include training of the uniformed military)."

QUESTIONS:

Considering increases in Federal salaries since FY 1973 and the training expenditures of the uniformed military, is it possible that the Government's current training costs are nearing a billion dollars each year? What is the CSC's estimate of the Government's total training (dollars, including employees' salaries while in training, and time) which is being devoted to executive and managerial training? Why is the CSC continuously expanding its training facilities and encouraging agencies to accelerate training of their employees when such training has not been effectively evaluated by the CSC or the agencies as to whether (1) the training is needed; and (2) the training actually increased the effectiveness of the employee's work performance?"

RESPONSE:

We are not able to say whether the Government training costs (civilian and military) are nearing a billion dollars per year because the Commission has no information on the training budget for the uniformed services. With respect to the costs of civilian training, it is our view that they are now relatively stable when adjusted for inflation.

Reported costs do not include participant salaries. However, based on the latest available data, our best estimate of the FY 1974 cost of civilian executive and managerial training (including employee salaries) is \$23,473,000.

There is no evidence that the Government as a whole is increasing its training activities since we started keeping detailed training statistics in 1967. While the Commission's training increased, data on FY 1975 and FY 1976 Federal training participants, indicates overall reductions in total Federal employee training instances.

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Training in support of Upward Mobility and Executive and Management Development accounts for the bulk of the increase in Commission-delivered training in recent years. Beginning in 1971, our training needs surveys clearly showed a very high need for training in support of executive and managerial development and partly led to the joint CSC-OMB efforts to improve in this area. Upward mobility training was increased substantially in direct response to the will of the Congress as expressed in the Equal Employment Opportunity Act, as amended in 1972.

The Commission views training to be an important and necessary management tool for improving the effectiveness of employee work performance. We have developed management processes for use in determining the cost effectiveness of training as a method for improving job performance where results are measureable. About 60 percent of all jobs in Government deal with measureable outputs of goods or services. The remainder, largely technical/scientific or managerial/executive, are not so readily assessed. There are clear indicators available from productivity studies which tend to show a high correlation between training and productivity. Further, the Commission is engaged in extensive research in assessing the worth of supervisory and management training. We expect to start pilot testing methodology for making these assessments shortly.

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A.12. COMMENT:

The Investigative Staff believes that if the Government was to cease all formal classroom-type training, other than training in "hard" skills (e.g., typing, stenography, etc.), this would not materially affect the functioning of the Government.

QUESTIONS:

What are the CSC's comments in this regard? What hard evidence does the CSC have to base its comments on?

RESPONSE:

The question conveys the impression that the belief exists that "hard" skills training comprises only a small portion of the total training that the Federal Government provides its employees, whereas quite the reverse is true. According to FY 1974 data on training throughout the Federal establishment, instances of training by types is as follows:

Legal, Medical, Scientific or Engineering	96,134
Administration	108,148
Technical	237,295
Clerical	46,664
Trade or Craft	36,496
TOTAL	524,737

The total above of 524,737 comprises 71.7% of all instances of training reported for FY 1974. Executive and managerial training accounted for only 6.8% of the grand total. The remaining 21.5% is divided between basic adult education and orientation training.

Organizations should use formal classroom-type training when it is the most cost effective means of getting the training job done. The point that must be emphasized again and again is the cost effectiveness criteria. Where formal classroom training is the most cost effective means of accomplishing a needed training goal, it should be used. In a rapidly changing society where man's knowledge is expanding significantly, we need to use all appropriate means for updating and maintaining our staff in Government competencies. No large public or private organizations could function effectively without the ability to provide formal classroom training as needed. In many cases, formal classroom-type training is the only feasible way of disseminating necessary data and policies about requirements of new legislation, changes in technology, safety and energy conservation, to name a few uses of classroom training other than for "hard" skills training.

Given the data, and the discussion above, the CSC strongly disagrees with the comment of the investigative staff.

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A.13. COMMENT:

Federal employees should be encouraged to engage in training and development activities on their own time and at their own expense.

QUESTION:

What is the CSC doing to encourage agencies to reward their employees for engaging in training and developmental activities on their own time and at their own expense?

RESPONSE:

Section 4103 of title 5, United States Code, provides that each agency program for the training of its employees, and plans established thereunder, shall "...provide for the encouragement of self-training by employees by means of appropriate recognition of resultant increases in proficiency, skill and capacity."

In its training regulations, the Commission requires agencies (in 5 C.F.R. 410.301(G)(4)) to take such administrative action as is necessary to assure that employees' self-development "...is fostered through a work environment in which self-development is encouraged, self-study materials are reasonably available, and self-initiated improvement in performance is recognized."

In its Federal Personnel Manual, the Commission reminds agencies that Government training is a way to build on efforts already made, or being made, by employees to acquire knowledge, skills, and abilities equipping them for the performance of official duties. In that Manual, the Commission points out how agencies can assist employees in their own development efforts by allowing employees periods of leave without pay or use of annual leave to pursue courses of instruction only available during regular work hours or by adjustment of the employees' workweek to enable them to pursue such courses.

Also in the Federal Personnel Manual, the Commission urges agencies to recognize the results of efforts of employees to develop their potential for the performance of official duties. Agencies are urged to acquire and record information about those efforts and to reward those efforts through -

- o recognition of resultant improvements in job performance through performance evaluation and incentive awards;
- o recognition of resulting increases in capacity for performance on other work assignments through promotions; and
- o consideration of employees' demonstrated interest in, and capacity for, development of their potential when making selections for Government training.

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By actively publishing information about available educational opportunities and by doing everything possible to make it convenient for Federal employees to attend after-hours training through devices such as arranging with schools and universities to make such training available in Federal buildings, the Commission and other agencies actively encourage employees' participation in such self-development opportunities. However, to directly reward employees for the act of engaging in after-hours training is considered to be inappropriate. Where such training leads to improved performance, that performance is recognized directly through the awards and promotion system. In addition, when appropriate, advanced educational achievement is considered by screening and selection panels when they are screening employee applications for promotion.

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A.14. COMMENT:

The Government's loss of productivity while employees are attending formal training sessions may be significant. In this regard, there are about 30,000 man-years of lost productivity each year while Federal employees are attending training classes.

QUESTION:

What is the CSC currently doing to assess the impact of the loss of Government productivity while employees are attending formal training classes? This question should also be directed specifically to the loss of top-level productivity.

RESPONSE:

The Commission rejects the assumption that training results in a loss of Federal productivity. A principal objective of training is to improve productivity. In fact, if there were not improvement in productivity over an appropriate amortization period of the capital investment in training, there would be little continued demand for most training engaged in either by the Federal Government or by private industry. The devices in the process of being designed by the Commission to measure the return to the Government from Federal training focus on the increase in productivity resulting from training as the principal measure of the benefit of such training.

As already mentioned, the Commission is actively engaged in the design and development of improved devices for measuring the increases in productivity resulting from the training of Federal employees. One of these devices, Training Value Model I, has been in the hands of Federal agencies for over two years and is being used to measure productivity increases resulting from training for employees who are engaged in activities with readily measureable outputs. The Commission is nearing the final stages in the design and testing of an instrument to measure increases in productivity of individuals such as supervisors and managers, who do not have a readily measureable work product.

Training Value Model I and the nearly completed value model for managerial training, when used in conjunction with the well-established training Cost Model, provide Agency Management with the necessary tools to conduct cost/benefit analysis of training. Since these models can be used to predict the cost/benefits of training as well as measure it after the fact, they not only can be used to make informal judgments about training investments, they can also be used to identify break-even points where improving performance would be more beneficial.

A.15. COMMENT:

Agency HQ monitoring and evaluation of sub-agency XD efforts are virtually nonexistent.

QUESTION:

What measures are being taken to correct this situation?

RESPONSE:

The comment is, for the most part, correct. The program of evaluation of XD efforts in the agencies is still in its formative stage. Thought was given at one time to developing a standard, or "model" agency monitoring and evaluation system. However, following approximately one-year's experience by the CSC in conducting in-depth evaluations of executive manpower programs in a number of agencies, the conclusion has been reached that the wide diversity among agencies in their organization structures, functions, chains of command and delegations of authority militates strongly against the feasibility and practicality of a standardized system which would be imposed on all agencies uniformly.

Experience during the aforementioned series of evaluations has indicated that the more effective approach, which will be strengthened and improved upon as more evaluation experience and specialized expertise is gained, will encompass:

- 1) Continuing in-depth external review of the total agency executive manpower program, including development of internal monitoring and evaluation.
- 2) When necessary, strong recommendations for specific improvements, tailored to the characteristics and problems of the particular agency.
- 3) Direct BEM encouragement, guidance and assistance to agencies in their efforts to institute or improve internal monitoring and evaluations systems.
- 4) Continuing follow-up review by BEM of agency internal evaluation programs.

The policy of the Civil Service Commission remains that of fostering internal agency evaluation of all personnel management programs, supplemented by external reviews by the CSC.

B.1. COMMENT:

The FEDP-I -- a special XD effort -- was initiated in 1973 by the OMB in cooperation with the CSC. The FEDP-I was designed to provide in its first year (1974) a program of formal management training and interagency developmental work experiences for 25 carefully selected GS-15 managers having high executive potential -- with the further objective of developing a cadre of managerial generalists who would be able to move into positions almost anywhere in the Federal Government. The FEDP-II is an offshoot of the FEDP-I and is being managed by the CSC in collaboration with the OMB. The program is still in process and is expected to be completed by the close of FY 1976.

QUESTION:

What evaluations have been performed to ensure the special FEDP's were cost beneficial and in the best interests of the Federal Government (the cost of the FEDP's will be about \$2,000,000)?

RESPONSE:

Both FEDP-I, administered by the OMB, and FEDP-II administered by the Civil Service Commission, were experimental programs, in which both the basic concept and specific features of the programs were to be tested. During the planning stages of FEDP-II careful consideration was given to a number of problems which were identified, through concurrent evaluation, by agencies, the OMB, and the Commission in the first pilot program. In particular we found that:

- Agencies were not deeply involved in the first program, which resulted in cutting participants off from their home agencies;
- The projected market for generalist supergrade managers had been overestimated; and
- Our initial selection process was cumbersome and quite expensive.

Modifications were made in the format of the second pilot program and a comprehensive evaluation plan was adopted. This called for assessment of the value of each work experience by the participant and the work supervisor, interviews with participants, personnel directors and agency coordinators, and long-term tracking of the career progress of participants and of control groups. (Long-term tracking for participants in FEDP-I will also be conducted.)

Preliminary analysis of the evaluation data on FEDP-II to date (the program is still in progress) indicates that from the perspective of the participant, FEDP-II has been quite successful. That is, by and large, the participants felt that they would return to their agencies better able to undertake executive responsibilities because they had developed new skills and more importantly a deeper understanding of their own agency in relation to the Federal Government as

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a whole. Indications are that many of the developmental assignments have produced products of considerable value to the host agency. However, problems remain in meshing the FEDP concept with overall agency executive development efforts.

For this reason we have involved the Committee on Executive Manpower of the Interagency Advisory Group (a group of agency personnel directors) in further assessment of the program and in the development of the third pilot program, FEDP-III. This has just been announced. Major changes have been made in the format to make for a closer link between FEDP-III and agency needs, to make it possible to tailor the FEDP experience to the Individual Development Plans of participants, and to drastically reduce program costs. This third pilot program will be intensively evaluated, too, before any definite decision is made on the long-range future of the program.

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B.2. COMMENT:

There have been reports that the FEDP-I was inadequately planned, coordinated, and evaluated, and that the quality of participant developmental assignments and agencies' management commitment were lacking in the FEDP-II. In addition, the CSC and the OMB are also in the process of developing another FEDP effort which is expected to be implemented upon completion of the FEDP-II.

QUESTION:

What steps are being taken by the CSC and OMB to correct the above deficiencies in the newly proposed offshoot of the FEDP's I and II?

RESPONSE:

The third pilot Federal Executive Development Program, FEDP-III, differs significantly from FEDP-II and even more so from FEDP-I. A series of deliberate program modifications have been incorporated in FEDP-III in order to merge the interests of agency management and participants.

The most significant difference between FEDP-III and the two earlier pilot programs is that they required a complete separation of the participant from his regular job while FEDP-III does not. It is a part-time program which will require that a total of six months of a participant's time be spent away from his regular job over a two-year period. The periods in which the individual is away are to be arranged at the agency's and the individual's convenience. This makes it improbable that agency management will forget about the participant while he is in the program or will fail to realize that it has an interest in getting the best possible work experiences for him or her.

Another important difference relates to selection. Primary selection responsibility rests with the agency. This is in line with the principal objective of FEDP-III, "To serve as a stimulus for the establishment and improvement of agency executive development programs." Giving primary selection responsibility to an agency Executive Resources Board or similar instrumentality places the agency in a position where it will want to make the program work.

We hope that these two modifications will have the dual effect of making this a more tightly managed and efficient pilot program and at the same time a more effective stimulus for broader agency executive development activities. As mentioned earlier, the cost of this third model is much less than that of either of the two earlier models.

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C.1. COMMENT:

The FEI -- located in Charlottesville, Virginia, and administered by the CSC (under the Chairman), is the Government's principal interagency training facility serving the training and development requirements of high-level Federal executives, principally at grade levels of GS-16 and above, or equivalent.

QUESTIONS:

What thought has been given to sites for the FEI other than the Charlottesville, Virginia location? How was the Charlottesville site selected?

RESPONSE:

The Charlottesville site for the FEI was identified by the General Services Administration in the spring of 1967. That identification occurred during an intensive site search undertaken by the CSA offices located in Washington, D. C., Philadelphia, and Atlanta. The Charlottesville site was among several referred to Commission officials for consideration and it was the one most readily available. Actual lease negotiations and leasing was undertaken by the General Services Administration in 1968.

The following criteria were considered in the initial location of the Federal Executive Institute: (1) an optimum distance from Washington, D. C. -- far enough away to discourage participants from living at home, so as to maintain an intensive and rigorous residential program, and close enough to permit convenient access to resources of the Nation's capital; (2) proximity and complete access to highest quality university resources in all major disciplines; (3) immediate access to superior, complete medical and dental services, appropriate to needs of participants in the age, economic, and social levels of federal executives; (4) proximity to varied business services; (5) proximity to diverse public civic services; and (6) a self-contained, retreat environment, away from work and family demands, conducive to maximum utilization of time and supportive of intense study and reflection.

A further consideration in the initial establishment of FEI in Charlottesville was accessibility in terms of training participants and visiting resource persons. Both public transportation via plane, bus, train, and private highway access are essential to FEI's operation, and despite its relatively small size as a city, Charlottesville is served exceptionally well in these respects.

In 1973, a major Civil Service Commission task force, composed of representatives from the Bureau of Training, the Bureau of Executive Manpower, the Bureau of Management Services, the Bureau of Policies and Standards, and the Federal Executive Institute, met to reexamine

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executive and managerial training needs and to reconsider FEI's location. At that time, alternative sites were again examined. The relationship between the Federal Executive Institute and the University of Virginia was evaluated, and the task force concluded that the University of Virginia had not only maintained a superior reputation, which would again justify its selection as a site for a federal executive and managerial training center, but that it had also demonstrated over a six-year period a capacity to work with the Federal Executive Institute in meeting a wide array of executive training facility requirements. Experience of the last three years continues to support that conclusion. University services to FEI since it was established in 1968 have been virtually free or at actual cost since the University has not been required to seek financial profit from the relationship. As a relatively tiny organization, the Federal Executive Institute could not begin to pay for the rich resources associated with this major university, which are essential to the Institute's operation.

This conclusion from recent experience is based on further exploration of alternative sites during 1974 and 1975 in connection with Commission studies of possible development of an enlarged facility for executive and managerial training. Alternative sites were first explored by a Commission task force in 1973-74, and alternatives were again examined in 1975 at the request of the Subcommittee on Public Buildings and Grounds of the Senate Committee on Public Works. During this past review of facility alternatives, consideration was given to existing federal facilities, possible privately-held facilities, and alternative new construction sites.

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C.2. COMMENT:

The impact and usefulness of FEI training has not been adequately evaluated.

QUESTION:

With the exception of questionnaires completed by training participants, why haven't efforts been made by the CSC or the agencies to measure the real impact of FEI training on an individual's work performance?

RESPONSE:

In program evaluation in education and in some other areas of private and governmental activity, evaluation measures may most appropriately be qualitative and not quantitative only. If people valued only that which could be quantified in government, most of the freedoms valued by the Constitution would be seriously diminished. In practical applications of this deep understanding of complexities in government, the joint CAO/QMB/CSC Project on Measuring and Enhancing Productivity in the Federal Government recognized from the outset that qualitative measures are not only essential but desirable in program evaluation. In the work of the National Commission on Productivity and the Quality of Working Life, in which the FEI Director has provided some leadership, the same practical consideration has been accepted in efforts to improve productivity in private and government activities. This is not to say that more and better evaluations by agencies and the Commission of FEI impact on work performance are not desirable. It is necessary, however, to recognize that in executive-level education, qualitative evaluations, including reputational evaluations, are essential if one is to be at all practical. Most executive positions are such that even "quantitative" evaluations of work performance are simply qualitative evaluations with numbers assigned to them.

In this widely accepted evaluation criteria of qualitative and reputational measures for programs in basic research and in higher education, perceptions of high-level recipients of education may be given considerable weight. Likewise, qualitative reputation of faculty and institutional programs are standard evaluation criteria accepted by every major university and research center. A balanced perspective on FEI and evaluations of its programs requires consideration of the standard qualitative evaluations which are used by other institutions such as The Brookings Institution and major universities.

While further evaluations by client agencies would contribute to necessary program evaluation, two sorts of information on the quality of work at FEI merit consideration; first, evaluations which have been conducted on FEI programs, and second, the high reputation of faculty attracted to the Institute.

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FEI Program Evaluations:

The Federal Executive Institute developed an FEI program evaluation survey questionnaire in October-December, 1975, for mailing in January, 1976. A 20 percent random sample of alumni of FEI's principal residential programs conducted since 1968 was selected for this survey, and by March 5, 1976, 70 percent of the questionnaires had been returned. That survey data is now being processed, utilizing University of Virginia equipment, and some analysis of the basic data will be completed in May. A preliminary manual tabulation of responses of graduates of the seven - (earlier eight-) week programs was completed on March 5. Some results are available from that tabulation.

FEI alumni were asked to rate their FEI work on scales from a LOW value of ONE to a HIGH value of SEVEN.

On that survey scale, the average of responses to key questions on FEI Senior Executive Education Programs were as shown below.

	LOW	1	2	3	4	5	6	7	HIGH
Overall evaluation at end of session									6.11
Overall evaluation at the present time									5.92
Contribution to understanding of executive roles									5.44
Contribution to development of personal and interpersonal skills									5.78
Contribution to knowledge of management systems and processes impact									5.03
Contribution to understanding of national needs and priorities impact									5.28
Contribution to developing skills in working with others on job									5.49
Contribution to overall citizenship effectiveness									5.18

The responses indicate an overall high value placed on FEI work by alumni: A rating of 6.11 at their sessions' conclusion, coupled with a rating of 5.92 at the time of completion of the survey questionnaire, highlights an exceptionally high positive retention rate for the impact of an educational program.

Participant evaluations are also completed for each module and at the conclusion of each FEI program. Final ratings of the seven-week sessions since 1973, on a scale where one is low and seven is high in value, have been: Session 21 = 5.7; Session 22 = 4.6; Session 23 = 5.9; Session 24 = 5.8; Session 25 = 6.2; Session 26 = 5.3; Session 27 = 6.1; Session 28 = 5.68; Session 29 = 5.84; Session 30 = 6.13; Session 31 = 5.95; Session 32 = 6.00; and Session 33 = 6.37. Final ratings in the three-week classes have been: Class 1 = 5.70; Class 2 = 5.20; Class 3 = 5.50; Class 4 = 6.08; Class 5 = 5.91; Class 6 = 6.05; Class 7 = 6.20; and Class 8 = 6.20.

Because of the exceptionally high competence of the participants involved, these evaluations must be given considerable weight if the reputational measures of performance usually applied to university research and education are to be accepted.

Agency Evaluations:

Agency evaluations of impact of FEI training are helpful to the Institute in modifying programs to meet changing needs and in continuing efforts to improve program offerings. The FEI encourages and cooperates with such evaluations. One example of an agency evaluation is provided by a U. S. Navy study completed in 1973. A report of that study is included at the end of the response to Question C.2.

FEI Faculty Reputation:

If the same qualitative measures are applied to FEI that are generally applied to the nation's great universities, it is essential that achievement of the Institute's goal of fostering high quality administration in government be judged in part on the outstanding leadership of the Institute's faculty in publications and in professional organizations. Only the most exceptional academic or governmental organizations can match the professional achievement of FEI's faculty summarized here for the calendar year 1975. The Institute is unsurpassed by any university or government agency, regardless of size, in its central leadership in the American Society for Public Administration, its most closely related professional organization.

A. Professional Publications of FEI Faculty.

FEI faculty have continued to provide major leadership in professional publications related to their disciplines.

The FEI publication, Ethics, Leadership, and Interdependence, edited by Dr. Patrick Conklin, has been through two printings since it was issued last fall (a total of 6,000 copies), and

agencies, individual executives, and other public administration professionals report that it is highly valued.

Individual FEI faculty publications during the past year (or items accepted for publication) include these:

Dr. Patrick Conklin: With Ross Clayton and Ray Shapek, Special Edition of the Public Administration Review on the subject, "The Policy-Management Interface in Intergovernmental Relations", Winter 1975.

Dr. Richard Cable: "Development Administration: Background, Terms Concepts, Theories, and a New Approach," design of a training module for the Development Studies Program, Agency for International Development, February, 1975; "Administration of Rice Production in Asia: Personal Histories of Program Personnel," Philippine Journal of Public Administration, January-April, 1975 (with Fred Springer); Administration and Development in Asia: A Comparative Analysis of Four National Agricultural Programs, submitted to University of California Press (with Fred Springer); in September, 1975, Dr. Cable's book, edited with Jason Finkle, Political Development and Social Change (Wiley, 1971), was identified in an article surveying the teaching of political development courses (Western Political Quarterly) as the most frequently assigned book in the field.

Dr. Ronald Gilbert: Assessing the Results of Social Innovation, Final Evaluation of the Orange County Community Services Project (Los Angeles: USC, 1975).

Dr. Chester Newland: "Higher Education Administration and Executive Roles," Campus Management Case Studies, George J. Mauer, Ed. (Praeger, 1976); "Public Leadership Reassessment in State and Local Government," Virginia Town and City, May, 1976; "Policy/Program Objectives and Federal Management: The Search for Government Effectiveness," Public Administration Review, January-February, 1976; "On Being They: The Bicentennial Era Public Executive," Proceedings, Washington ASPA Conference, 1975, pending 1976; "Motivation, Productivity, and Performance Appraisal," Municipal Personnel Administration, Winston Crouch, Ed., (Washington: ICMA, 1976).

Dr. Donald Nuechterlein: "Southeast Asia in International Politics: A 1975 Perspective," Asian Survey, July, 1975; "The Emerging Sino-Soviet Contest in Southeast Asia," Southeast Asia Spectrum, Winter, 1975.

Dr. John Sauter: Two articles, "Economic Analysis of School Boundary Flexibility," Akron Business and Economic Review, and "Cost Benefit Analysis of Open School Boundaries," Journal of Urban Economics.

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Dr. Donald Stupak: American Foreign Policy: Assumptions, Processes, and Projections (New York: Harper and Row, 1976, released as a hardback in November, 1975); articles in The Christian Century, Intellect, Occasional Papers Series of SUNY at Buffalo, DEA News of the American Political Science Association, and the Air University Review; and an essay in Comparative Defense Policy (Baltimore: Johns Hopkins University Press, 1975).

B. Professional Organization Leadership by FEI Faculty.

Besides publications, FEI faculty have provided principal leadership in professional organizations during the past year. For example:

Ralph Bledsoe chaired the program on the Intergovernmental Personnel Act at the 1975 National Conference of the National Association of Schools of Public Affairs and Administration. He is an editor of The Bureaucrat's Occasional Papers Service.

Patrick Conklin was elected as an at large member of the ASPA National Council following his service as President of the Virginia Chapter of the American Society for Public Administration last year. He was program chairperson for the Southeast Regional ASPA Conference in October, 1975. He is currently a member of the ASPA National Conference Program Committee and a member of the National Council Committee on ASPA activities.

Richard Gable is the Chairperson of the ASPA Section on International and Comparative Administration.

Ronald Gilbert was a panelist on the 1975 ASPA National Conference Program on the topic, "Alternative Service Delivery Structures." He was a speaker in November, 1975, at the meeting of the National Association of Housing and Redevelopment officials on the topic, "Program Management and Evaluation."

Jeffalyn Johnson is a member of the Program Committee of the ASPA Conference of Minority Public Administrators. She was on the National Conference Program of the American Political Science Association in the fall, 1975.

Chester Newland has continued for a fourth year as a member of the Editorial Board of Public Administration Review. He is currently the Chairperson of the ASPA Publications Committee (1975-76). He will be the ASPA Program Chairperson for the 1977 National Conference (1976-77), and is an elected ASPA National Council member. He has presented papers and addresses at several professional conferences during the past year, including the International City Management Association annual conference, the International Personnel Management Association annual

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conference, the ASPA national conference, the Western Governmental Research Association, and various regional and Washington area professional conferences. As a member of the Public Sector Committee of the National Commission on Productivity and Quality of Working Life, he has participated in several working conferences, and he is a member of the Public Sector Collective Bargaining group of the Committee. He was a participant in the FMCS 1975 Wingspread Conference on Public Sector Collective Bargaining. As the only government member of the 15-member Executive Development Group, he participated in the annual 1975 conference on executive development at the Motorola Executive Institute. He is a member of the National Academy of Public Administration committee on ethics.

Donald Naechterlein was a program participant in the 1975 Conference of the Association of Asian Studies. He was also a participant in the Middle East Institute Conference in October, 1975. He was selected as a Fulbright Lecturer to the United Kingdom for 1976.

Ronald Stupak was a program participant in 1975 annual conferences of the International Studies Association, the Inter-University Seminar on Armed Forces and Society, and the Southern Political Science Association.

C. Organization-Based Programs.

At the request of various departments and agencies, members of the FEI faculty continued to perform a variety of program-related services to Federal agencies. The amount and the number of services provided by faculty members are necessarily limited and far less than the number of requests received because these activities are performed in addition to regular faculty duties at FEI, and not in lieu of them. Following are a few of many program-related activities performed in the past 16 months.

National Security Agency -- Two different three-day Seminars on Management by Objectives for Headquarters Personnel (Ralph Bledsoe).

Central Intelligence Agency, National Photographic Information Center -- One and one-half day Seminar on Management by Objectives Implementation (Ralph Bledsoe).

Department of Health, Education and Welfare, Chicago Regional Office -- Two-day Team Building Session (Ronald Gilbert).

Department of Agriculture -- Four-day Seminar on Results-Oriented Audit for the Regional Directors of Internal Audit (Ronald Gilbert).

National Aeronautics and Space Administration, Office of Aeronautics and Space Technology -- Three-day Workshop in Organization Development (Edward Jones).

Central Intelligence Agency -- Three-day Workshop in Organization Development (Edward Jones).

General Services Administration, Office of Data Systems -- Three-day Workshop in Organization Development (Robert Matson).

U. S. Customs Service, Office of Regulations and Rulings -- Three-day Workshop in Leadership (Robert Matson).

U. S. Secret Service -- Two three-day Workshops on Leadership (Chong Pak).

U. S. Customs Service, Chicago Region -- Three-day Workshop in Organization Development (Chong Pak).

United Nations -- Two-month consulting assignment to the Republic of Korea for its Senior Administrator Development Program -- while on leave from FEI (Chong Pak).

Seattle and Portland Federal Executive Boards -- Sessions on Management by Objectives and Program Evaluation (Chester Newland).

In addition to the programs listed above, FEI faculty members have worked with executives in departments and agencies and the FEI Alumni Association on a one-day basis either as consultants, trainers, and/or lecturers. Examples of the many agencies served in this capacity include the General Services Administration, Industrial College of the Armed Forces, U. S. Corps of Engineers, U. S. Army Foreign Science and Technology Center, Interstate Commerce Commission, Naval Aviation Executive Institute, U. S. Military Academy, Government Printing Office, Foreign Service Institute, Bonneville Power Administration, Defense Supply Agency, and NLRB.

Sessions with FEI alumni groups have been held during the past 16 months in Seattle, Chicago, Kansas City, Miami, and New York City. FEI faculty have also participated in monthly meetings of the FEI Alumni Association and in many other FEIAA programs in Washington, D. C.

University of Virginia programs in which FEI faculty members have served as principal resources have included conferences on local government, collective bargaining, technology assessment, urban planning, and energy resources.

EXECUTIVES PAGE

"... a means of continuously sharing special interests in executive manpower ..."

THE FEDERAL EXECUTIVE INSTITUTE AS VIEWED BY NAVY EXECUTIVE ALUMNI

The President is continuing to stress the need for more effective management. Better trained managers are critical in achieving this need. The Navy Department's Executive Development Program is attuned to promote this goal.

One major resource available for executive development is the Federal Executive Institute, Charlottesville, Virginia, which 83 Navy executives have attended since it opened in 1963. Recently we queried Navy's FEI alumni by questionnaire to get evaluation feedback about the worth of the experience they gained. We share the results with you in the hope that the enthusiastic replies will encourage continued support of the FEI by Navy managers.

Here is a synopsis of the survey results:

—85% of the responders identified themselves as managerial. This correlates with the preponderance of responses recommending the FEI Course primarily for persons in managerial positions.

—72% of the responders are in the field of Research and Development. Considering that the FEI is intended for those in supergrade-type positions, and that 83% of such positions in Navy are R&D types, Navy's participation is consistent with its executive population. The more telling point is that these preponderantly R&D alumni are overwhelmingly laudatory about the FEI Course and the benefits they derived from it.

—83% of the responders thought the 8-week length of the session about right, with none judging it too short. In view of the high level of these executives and their program responsibilities, this is a meaningful response, counter to criticisms leveled against the length of the course by some who have never attended it.

—Less than 1% of the participants thought the cost of the course (\$3,522) too high. Cost and duration have been two general criticisms that have been voiced. No attendee judged the contents of the course irrelevant to his job. This is of particular interest, since questions have been raised regarding relevancy of the course contents to Navy's R&D-type executives in particular.

—In general, responders do not recommend the course for those in non-managerial positions such as technical/professional specialists, consultants and staff types.

—81% of those queried encouraged others in their organizations to take the course. This is the best kind of advertisement and reinforces the proposition that attendance by top executives is important for course evaluation and support of participation by others.

—44% of the responders rated the FEI the best developmental course they have known. Considering the high levels of academic and professional attainments of these individuals, this is a very significant evaluation.



John S. Brown
Secretary of the Navy
(Chairman-CEMS)

—82% of the responders indicated that attendance at the FEI helped them do a better job. Again, considering that 72% were in R&D positions, this appears to belie the contention made by some that the FEI is not geared to the needs of R&D executives. It is a noteworthy aside that one great claim for positive effect on job performance came from the single Navy military FEI alumnus to date.

—47% of those answering said that the best time to attend the FEI is about a year after attaining executive rank.

—The narrative responses to questions about benefits derived stressed that major advantages gained were broadened perspectives of self and organization; improved self-awareness and self-image; improved capacity to understand and deal with others; and, in toto, increased capability to be an effective manager.

The Federal Executive Development Program requires each incumbent executive to have an individual executive development plan. These evaluations of the FEI by Navy executive alumni should prove a positive influence in the formulation of such plan to satisfy particularly those development needs of executives aimed at enhancing their managerial capabilities.

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C.3. COMMENT:

An average of about 50 man-years of top-level productivity is lost to the Government each year while individuals are attending the FEI.

QUESTION:

What is the CSC or the agencies doing to evaluate the impact of this loss of productivity on operations?

RESPONSE:

The absence of executives from their usual work assignments to attend training programs is a capital investment in future improved productivity at the expense of immediate consumption of executive talent. It is especially important for top-level executives to receive training of the type given by the FEI, since the majority of these executives have risen through the ranks in narrow occupational specialties and have spent the greater part of their Federal careers in a single agency. They badly need to have their perspectives broadened and to be made more conversant with the managerial aspects of their positions. We believe it would be more justifiable to assert that continued work at one job with stale knowledge and skills has a more damaging effect on productivity than a comparatively short time away from jobs for training for improved productivity.

When executives are assigned to three-week and seven-week training programs at FEI, their agencies normally use that time as an opportunity for developmental mobility assignments of other persons into leadership positions. In short, it is necessary to look at the time when an executive is absent in terms of an organization as a whole, not in terms of one individual only. Typically, agencies make the mobility assignments during such absences an integral part of their development and selection programs for managers and executives.

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C.4. COMMENT:

Reportedly, many agencies do not look upon the FEI as being an integral part of their XD programs. When executives are sent to the FEI for the standard 7-week program, there is an implication that these executives are "easy-to-spare" (e.g., near retirement, malcontent employees, etc.), and that their agencies are sending them to the FEI just to get rid of them for one reason or another. Thus, indications are that the FEI is not getting the right executive and "high potential" GS-15s to attend its training sessions. The "top-notch" executives which the FEI is supposedly aimed at are not being sent to the FEI because agencies simply cannot let a "difficult-to-spare" employee go for a 7-week training session--training whose worth is not known.

QUESTIONS:

How does the CSC respond to these allegations? What is the CSC doing to encourage agencies to send their best people to the FEI and to demonstrate the value of FEI training? Why is it necessary that the subject FEI program be 7 weeks long? What about the possibility of split sessions?

RESPONSE:

FEI faculty have concluded from time to time in the past that there have been isolated instances in which agencies sent individuals who were not well qualified for study at the Institute, despite efforts of the Bureau of Executive Manpower to screen nominees. The Institute itself has attempted to correct this situation. The Director and faculty members of the Institute have visited agency officials (particularly Assistant Secretaries for Administration and executive development personnel), when problems have been identified, to work with the agencies for improved selection. Contacts with Assistant Secretaries for Administration have been particularly successful in correcting deliberate deficiencies in selection processes. There is general agreement among those FEI faculty members who have been with the Institute for several years that relatively few instances of deficient selection now occur as compared with the third and fourth years of FEI's operation (1970-71). From the perspective of FEI faculty, it seems clear that the vast majority of executives who participate in FEI programs are excellent in quality and that a disproportionately large percentage are outstanding, as compared with qualitative evaluation of participants in programs conducted elsewhere by the same faculty members.

Present programs at FEI are not restricted to the seven-week session only. In Fiscal Year 1976, four seven-week sessions and four three-week classes are scheduled, along with several programs of one week or less. For Fiscal Year 1977, three seven-week programs, three three-week programs, and eighteen short programs of one week or less are scheduled. Consideration was given to the possibility of a split seven-week session in FY 1977. That was discussed by the Director and Associate Director of FEI in meetings with agency representatives before formulation of the next fiscal year schedule. It was the general assessment of officials contacted that the logistics of a split session would be too complicated and that breaking up of executive absences into two segments of time would prevent the present utilization of such training periods for mobility assignments of subordinates into executive-level positions for career development purposes.

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The initial program at FEI was set at eight weeks in 1968 because it was thought that many executives need an intensive period of self-examination and in-depth study of changes in Government programs and in management concepts and processes. We still believe this, but we think that shorter programs are also needed, and these have now become prominent in the FEI schedule.

Most executives who come to FEI have had relatively little educational experience since graduation from college, in most cases some twenty years earlier. Skills training has generally been the extent of their continued development experience, with the exception of mobility assignments, since they typically have risen through the ranks in comparatively narrow occupational or program specialties. In-depth self-analysis, study of changes in concepts and practices in society and in Government in particular, and examination of executive roles has generally been neglected. For those executives with little or no recent educational experience, an intensive residential program of seven weeks clearly meets many perceived needs, as indicated by participants' evaluations. On the other hand, a seven-week program would not be suited to all executives. Different executives have quite different needs, and different agencies likewise have different requirements at different times. For that reason, the FEI programs have not remained static, and there is no intention at the Institute or in the Commission, generally, of allowing them to remain static.

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C.5. COMMENT:

The FEI is primarily carrying out a training function but is organized under the CSC Chairman and not the Bureau of Training (which operates the CSC's four Executive Seminar Centers in addition to other executive training programs) and the Bureau of Executive Manpower (which has an intense interest in executive development and training). Little coordination takes place among these components.

QUESTION:

What is the process for coordinating activities of the FEI with the Bureaus of Training and Executive Manpower?

RESPONSES:

It would be a serious error to conclude that coordination occurs between organizational units only if the coordination is dictated by organizational structure. Extensive coordination occurs between the Federal Executive Institute and the Bureau of Executive Manpower and the Bureau of Training.

The Federal Executive Institute and the Bureau of Executive Manpower cooperate closely because of the common interest in executive workforce development which characterizes the faculty of the Institute and the professionals of the Bureau.

Likewise, while coordination of activities of the Institute and those of the Bureau of Training are not on a daily basis as they are with the Bureau of Executive Manpower, extensive professional and other organizational relationships are maintained. The Bureau of Training has deliberately involved the Institute in every policy matter related to its training leadership activities. The Bureau of Training also informs the Institute of changes in regulations and other requirements related to FEI operations, and such matters are handled as routine.

Professional relationships between FEI faculty and Executive Seminar Center faculty of the Bureau of Training have, however, been limited. During the past two years, efforts have been made to have FEI faculty members participate in some Executive Seminar Center programs.

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C.6. COMMENT:

The CSC's Bureau of Executive Manpower (BEM) is responsible for approving or disapproving all agency nominations to attend the FEI, as well as for selling FEI shares to agencies each year. Agencies, reportedly, feel pressured into purchasing FEI shares. If not actually pressured they believe the pressure is implied inasmuch as the BEM is also responsible for approving their supergrade allocations and positions.

QUESTIONS:

If the FEI is considered so effective, why is such pressure or bureaucratic leverage necessary to sell shares in the FEI? Why doesn't the FEI sell its own shares directly to the agencies?

RESPONSE:

A principal problem in executive training is that top political leadership is often under pressure to show short-term results at the expense of long-term institutional requirements. Consequently, agencies are frequently under pressure to consume both human and material resources in the short run, rather than invest in the future and long-term productivity improvement. Because of this situation, executive workforce development is a matter which must be given highest level priority by a separate bureau within the Civil Service Commission which can bring some perspective of overall executive personnel requirements to varied separate problems, such as training at FEI. The Committee staff is correct in its conclusion that some agencies would neglect long-term investment in improved executive personnel if it were not for the leadership of the Civil Service Commission and its Bureau of Executive Manpower in this field.

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C.7. COMMENT:

Reportedly, agencies are not using a large percentage of the FEI shares they purchase (e.g., 29.5 percent of shares purchased and not used for the FEI's 3-week program and 14.7 percent of shares purchased and not used for the FEI's 7-week program -- FY 1975). Payments for shares are not refunded to agencies in the event they fail to utilize them.

QUESTIONS:

Doesn't the above mean that the FEI is receiving revenues for services which it is not providing, thus constituting an inefficient utilization of FEI resources and agency funds? What is being done by the CSC to encourage agencies to more effectively utilize their purchased FEI shares (e.g., identifying nominees before agreeing to purchase a specific number of FEI shares; determining alternate nominees, etc.)?

RESPONSE:

Ninety-one percent of shares sold to Federal agencies for the seven-week program have been utilized, and 69 percent of the shares sold to Federal agencies for three-week programs have been utilized.

The low utilization rate of three-week programs appears to be due in large part to two causes: (1) When three-week classes were introduced in FY 1975, along with the existing seven-week sessions, the numbers of executives to be selected by agencies to attend residential training classes and sessions were almost doubled. The agencies found it difficult initially to complete the required work in the selection process with their limited executive workforce personnel. (2) Those three-week programs which were scheduled in the summer came at times which conflicted with the schedules of many executive personnel. Because of that, schedules for FEI programs in FY 1977 have been changed, with three seven-week programs and three three-week programs to be alternated, with short programs scheduled between classes and sessions. That should permit agencies to complete their selection processes with less difficulty, even with limited personnel for that work.

The Institute presently utilizes spaces which are not filled by Federal agencies to include State and local government executives in FEI programs. That serves two functions: (1) to enrich the program with perspectives of State and local government executives for the benefit of Federal participants; and (2) to provide executive training opportunities for State and local government executives and to build linkages for improved effectiveness and efficiency in intergovernmental operations. Because the Institute is often notified of intended failure to fill slots only one or two days before the beginning of a session, the Committee staff is correct that some spaces are left unutilized, thus resulting in inefficient utilization of Institute resources and agency funds. That needs to be corrected.

In paying for FEI spaces, agencies are not simply paying for training, but are paying to maintain the Institute as a resource for Government. The agencies share all of the operational costs of FEI. This means that, if agencies were to be reimbursed for unused spaces, the cost of each used slot would increase somewhat. This would benefit agencies which plan poorly.

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The present system, on the other hand, rewards agencies that plan their purchase of spaces carefully and that utilize them to the maximum. It punishes those agencies which approach executive development in a slipshod manner. Unfortunately, this cost pressure has not been adequate to correct deficiencies in executive training planning in all agencies. It should be noted, however, that some agencies invariably make nominations well in advance of programs and almost always utilize spaces (with exceptions only where quite unexpected major emergencies occur at the last minute). Agencies, generally, need to be encouraged to develop such capacity.

C.8. COMMENT:

The CSC has developed proposals to expand the capacity of the FEI.

QUESTION:

Inasmuch as the agencies' nonutilization of purchased FEI shares has been rather high over the years, and considering the "arm-bend-ing" that takes place in selling FEI shares, why does the CSC feel the capacity of the FEI needs to be expanded?

RESPONSE:

The proposal from the Civil Service Commission and the General Services Administration to Congress in November 1974 for a facility for the Federal Executive Institute and for a Managerial Training Center included projection for a 20-year period and for a facility to be usable for 50 years as a minimum. The projection called for utilization of major portions of projected space for managerial level training during initial years of use of a new facility and gradual expansion of executive level training to fill more of the facility by the year 2000.

Reassessment of this proposal by the Civil Service Commission resulted in a direction from the Commission to the Bureau of Management Services on December 19, 1975, to explore the possibility of construction of a facility for FEI only. Pursuant to that Commission directive, the General Services Administration is currently studying a CSC proposal for an 80-bedroom facility at a probable construction cost of about \$4,510,000, and an annual rental rate in 1979 of about \$425,700. An 80-bedroom facility would be only slightly larger than the present FEI facility of 69 bedrooms. Provision would be made in the construction for utilization of some of that space during the next few years for agency conferences and organization development work. Other alternatives for a facility of this size will also be explored.

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C.9. COMMENT:

Top politically-appointed executives maximally do not attend the FEI.

QUESTIONS:

What can the CSC do to attract political appointees to the FEI? Can a special short-term program be developed by the FEI to serve this element?

RESPONSE:

Both the Bureau of Training and the Federal Executive Institute have provided training opportunities for political appointees.

The Bureau of Training Briefing Program for Policy Executives is explained above in response to question 6 in Section A (XD in General).

FEI has conducted a few two- to three-day sessions for Assistant Secretaries of agencies. Sessions for Assistant Secretaries for Administration were successful, so long as there was some continuity of incumbents in those positions. With the high turnover of political appointees in the period from 1972 through 1976, however, the demand for such programs deteriorated.

In its FY 1977 schedule, FEI has scheduled organization development and team building sessions of one week or less which will be open to work groups which may include top political appointees. Both the FY 1977 Bulletin, which has already been printed, and program announcements which will be sent to agencies during the year, will be utilized to publicize these training opportunities for political appointees and their immediate work groups.

C.10. COMMENT:

Proposals have been developed to construct a new FEI facility.

QUESTION:

What are the latest plans of the CSC relative to constructing a new FEI facility (size, cost, location, etc.)?

RESPONSE:

This question is answered in the response to question 8 above. The University of Virginia demonstrates a continuing willingness to work with the Civil Service Commission and the General Services Administration to provide a leased facility for the use of FEI in the future. The University is willing to negotiate development which would be designed specifically for educational programs for executives at FEI, with a location on grounds of the University for ready accessibility to all University facilities.

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C.11. COMMENT:

The current Director of the FEI (Chester Newland) will be departing in July or August of this year. A new Director of the FEI will have to be named shortly.

QUESTIONS:

What is currently being done by the CSC to select a new FEI Director? How does the CSC plan to ensure a reasonable degree of continuity in the FEI's operations as a result of such changes in top leadership?

RESPONSE:

In its recruiting effort for a new Director of the Federal Executive Institute, the Civil Service Commission is seeking an individual who possesses outstanding qualifications and abilities in the following areas:

- A. Management of a specialized professional/academic program.
- B. Leadership and stature in the field of public administration.
- C. Knowledge of learning methodology and adult education.
- D. Knowledge of governmental operations.
- E. Communication abilities.
- F. Interaction with executives from diverse disciplines.
- G. Academic attainment and recognition.

High-level officials of the Commission and other Federal agencies are taking an active, personal role in a systematic search for the best possible candidate to head the FEI. The recruitment process has included:

- A. CSC Chairman Robert E. Hampton established a steering committee headed by CSC Executive Director Raymond Jacobson. Members of the committee are Carl Clewlow, DOD; Edward Preston, ONB; Chester Newland, CSC (FEI); John Cole, CSC; Joseph Damico, CSC; and J. Philip Bohart, CSC.
- B. Individual letters seeking the recommendation of qualified candidates were sent to all member schools in the National Association of Schools of Public Affairs and Administration--a total of more than 500 institutions.

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- C. Separate announcements were sent to professional organizations such as the American Society for Public Administration and The Brookings Institution, as well as to Federal departments and agencies.
- D. The CSC Executive Inventory system was tapped to identify qualified individuals who are current or former Federal executives.
- E. Personal recommendations were solicited from Commission executives in Washington and the 10 CSC regions.
- F. More than 70 candidates applied. These were screened down to 11 highly qualified applicants. These 11 were individually rated and ranked by the steering committee. An ad hoc panel of the steering committee selected the three best qualified candidates from among the 11.
- G. Competitive qualifications investigations are being conducted on the three finalists, and they will be interviewed by the steering committee. Each finalist will make a personal visit to the FEI.

When the steering committee has completed its work, CSC Chairman Hampton will receive the committee report and will make a final selection. This action is expected in mid-April 1976.

Continuity in FEI operations will be maintained by overlap between the new selectee and the outgoing Director.

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D.1. COMMENT

The CSC operates four ESC's: King's Point, N.Y.; Berkley, California; Oak Ridge, Tennessee; and Wilmington, Delaware. The ESC program, which until 1975 had traditionally been a "broadening horizons" type of endeavor, is primarily aimed at Federal managers in the GS-13 through GS-15 grade range. Commencing in 1975, the responsibility for providing "management skills" training was also given to the ESC's. There are indications that the CSC plans to expand the capacity of the ESC's.

QUESTION

What are the current plans of the CSC for increasing the capacity of its ESC's?

RESPONSE

Based on various studies, made beginning in 1971, we estimate that residential managerial training programs of the Commission will require a capacity to accommodate 4,000 participants annually by FY 1979/80 or about 7½% of all persons identified as holding managerial positions in grades GS-13 thru 15 annually. These estimates are based on the results of studies that led to the issuance of FPM Ltr. 412-2, "Executive and Managerial Development." This would require an increase in capacity of 1,200 (from 2,800 to 4,000) and is expected to be concentrated on the eastern seaboard, where the preponderance of potential participants are assigned.

The studies referred to showed a need for the development of specific managerial skills, knowledges and abilities in Federal employees if there is to be improvement in the quality and effectiveness of Federal program management. Managerial classroom training is considered an integral part of the process in the transformation of "occupational specialists" to "program managers."

The Commission's interagency training programs are a cost effective and efficient supplement to agencies' internal programs for managerial and executive development. Few agencies have sufficient numbers of managers to warrant the establishment of in-depth formal classroom training programs for their managers. Those that do have sufficient numbers would still have to aggregate groups that are geographically dispersed; thereby incurring costs for travel, food and lodging equal to or greater than those entailed by attendance at an ESC.

The Commission's plan to increase the capacity of the Executive Seminar Centers by FY 1979/80 is in response to the proven economies of providing high quality interagency managerial training centrally.

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A response seems necessary here to another part of Comment D.1, which relates closely to Comment D.2, i.e., "The ESC program, which until 1975 had traditionally been a 'broadening horizons' type of endeavor...." While we believe there is a definite need for Federal managers to have a broad understanding of the total operations of Government or of selected policy areas, there is an obvious and more immediate need for Federal employees to acquire hard managerial skills, knowledges and abilities.

This has been recognized by the Commission and agencies and, also, by key officials in the Office of Management and Budget. The Commission has attempted to be responsive by providing a balanced training program for broadening managers' perspectives and for providing specific skills, knowledges and abilities immediately applicable to their jobs. In addition to the managerial and executive training provided by the Federal Executive Institute and the Executive Seminar Centers, the Commission's training delivery system has other substantial components. Ten Regional Training Centers and six Washington, D.C., Training Centers offer a wide variety of short non-residential courses on such subjects as personnel management, automatic data processing, labor relations, and financial management. By far, most managerial training offered by the Commission is non-residential and provided by the Regional or Washington, D.C., Training Centers.

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D.2. COMMENT:

Two recently added seminars, the Seminar for New Managers (SNM) and the Seminar for Advancing Managers (SAM), are expected in FY 1977 to constitute 53 percent of the ESC's total offerings and encompass 59 percent of the ESC's capacity. These seminars are not compatible with the initial objectives and traditional course offerings of the ESC's. Moreover, these courses appear to duplicate some of the courses presently offered on a "piecemeal" basis by the Regional Training Centers (RTC's).

QUESTION:

Why was presentation of these offerings placed with the ESC's rather than with the RTC's?

RESPONSE:

Several factors entered into the decision to place the Seminar for New Managers and the Seminar for Advancing Managers in the Executive Seminar Centers rather than the Regional Training Centers.

From a practical vantage, the most immediately available facilities and resources for these two courses were directly under the line management control of the Bureau of Training through the Executive Seminar Centers, which had experience conducting residential training.

Second, the ESC Program had historically been viewed by both participants and training officials alike as the "top of the line" in Commission management training. Therefore, by including the two courses in the ESC curriculum, we were able to communicate more effectively the high priority we attached to these seminars as a means of meeting the base level managerial skills and knowledge needs of many new and advancing managers.

Further, we reasoned that agencies would have more confidence in these courses because of their experience with the instructional capabilities of the Executive Seminar Centers' staffs. Third, our analysis of the required content of these two seminars convinced us that they had to be taught by a full-time resident professional staff to maximize the learning experiences.

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D.3. COMMENT:

The evaluation of the impact of ESC training has largely been limited to questionnaires and interviews with participants. It is estimated that the annual cost of the ESC program (including the salaries of participants while in a training mode) is \$6.2 million. In addition, 123 man-years of managerial productivity is lost to the Federal Government.

QUESTION:

In view of the magnitude of the ESC program, why haven't efforts been made by the CSC and/or the agencies to measure the real impact of this training in terms of improving participant's actual work performance and to evaluate the effect of this productivity loss on agencies' operations?

RESPONSE:

It is inaccurate to allege that efforts have not "been made by the CSC and/or the agencies to measure the real impact of this training in terms of improving participants' actual work performance and to evaluate the effect of the productivity loss on agencies' operations."

While not rigorously quantitative, assessments of the cost/benefits of the Executive Seminar program have been continuous since the program began in 1963. These studies have included regular staff analyses, as well as interagency task force reviews. Admittedly, these assessments have not been as precise as we would like because we are not yet able to separate with precision, from the numerous other variables, exactly what part a two- or three-week training experience plays on an individual's total future management performance. As previously mentioned, work is well along within the Bureau of Training toward development of a training value model for more exactly determining the benefits of supervisory and managerial training.

Nevertheless, the Commission and the agencies have obtained "feedback" from individual participants and their supervisors which substantiates the conclusion that the ESC program has had initial and continuing positive benefits to the managers who have attended this program.

Efforts are being made to develop methods for improving the identification and selection of managers for formalized training and for determining if formal classroom training is the "best method" for the development of the individual in terms of assuring that the skills and knowledges learned are applied in the day-to-day operations of the manager's organization. One method now being employed in the ESC program involves the managers' developing specific plans for implementing back on the job what they learned in their course and a commitment for continued self-development.

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In the aggregate, evaluation to date has established reasonably conclusively that managerial training contributes to the improvement of Federal program management and productivity. We view management training in the same light as any other capital investment. It produces benefits that must be judged by similar standards. We have had under development for some time methods for projecting the probable returns on the capital investment represented by Supervisory, Managerial, and Executive training. These methods involve contrasting the contribution to organizational effectiveness of improved management skills with the cost of providing these skills. As we become more sophisticated in evaluation methods, we certainly will apply them to the Executive Seminar Center activities.

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E.1 COMMENT:

The CSC sponsors at nine participating universities a long-term (i.e., one academic year) full-time educational program called the Education for Public Management (EPM) program. The CSC estimates the EPM cost to the agencies to be between \$30,000 to \$40,000 per participant. On the basis of the 71 employees participating in the current program, the total annual cost to the Government is between \$2.1 and \$2.8 million. Some of the participating universities offer extremely unstructured programs which not only permit, but strongly encourage, Federal employees to enroll in courses that bear no relationship to their job or previous field of study (e.g., an accountant might take courses in astronomy and zoology).

QUESTIONS:

In view of the questionable job-related benefits accruing from participation in this program, how does the CSC justify sponsorship of the program? Further, what recent evaluation of the program, in terms of its impact on improving employee effectiveness on-the-job, has been conducted by the CSC?

RESPONSE:

The Education for Public Management Program provides a nine-month academic experience for selected mid-career employees who have been identified by their agencies as having talent and potential to assume increasing responsibilities in the overall direction of agency programs. The emphasis is on the broad academic experience needed for policy-level management. It is limited in scope (70 to 80 persons a year). EPM is costly and therefore warranted only when expected results justify the investment.

This program is aimed at that group of program specialists who give great promise of eventually moving into top-level agency management positions. Typically they have been out of school for ten years and are seriously in need of both management skills training and the sort of broadening experience that can shift attitude and viewpoint to the perspective required of the successful manager. The agency expects to more than recover this investment in human capital over the remaining 20 or so years of productive working life of each participant.

The Commission is maintaining a continuous program monitoring activity which includes meetings with university officials, agency trainers who coordinate nominations, and direct feedback from participants. Nonetheless, actual decisions about the value of the benefits are made by agency managers whose program budgets must bear all costs. The small but relatively stable number of nominees for EPM each year, indicates that agency managers have made some judgments about the benefits of this program. For FY 1977 we have planned another follow-up study on this program with selected agencies.

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E.2. COMMENT:

"The EPM represents only one program that provides for long-term, full-time training for Federal employees. Based upon the cost of this program, it is imperative to gain some idea of the extent of total long-term training in the Federal Government, its costs, and an evaluation of its contribution toward greater effectiveness and productivity by Federal participants in relationship to both man-years of productivity lost and dollar costs."

QUESTION:

"What is the total cost of federally funded long-term, full-time training at the college or university level--including the salaries of training participants? How many Federal employees annually are selected to participate in such training and what is their average grade level? How many staff years of productivity are lost to the Government because of employee participation?"

RESPONSE:

In FY 1974 (most recent data currently available) the total cost of Federally funded full-time college training for civilians was \$16,236,856, which includes an estimated \$12,858,378 for employees' salaries while in training. (Note: participants' salaries while in training are not reported to the Commission.)

In FY 1974, 706 employees were selected for such full-time training. This is contrasted with a high of 2,004 employees in FY 1968. The average grade level for employees selected to participate in full-time college or university training is GS-12 Step 3. This comparatively low grade level reflects the fact that most of those presently engaged in full-time training are mid-level scientists and engineers taking advanced work in their specialty, not Federal executives.

The Commission rejects the notion that staff years of productivity are lost as a result of employee participation in long-term training. As indicated above, most long-term training represents skills training unavailable through any other source. Management training is recognized and evaluated as a long-term capital investment.

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April 12, 1976

MEMORANDUM FOR THE CHAIRMAN

Re: Executive Development Programs
of the Federal Government

Attached are our comments on the written responses of the Civil Service Commission (CSC) to the questions previously drafted by the Investigative Staff and furnished to the CSC's Chairman during the recent hearings.

For the most part, no new information was provided by the CSC which would materially affect the conclusions in our recent report on Executive Development Programs in the Federal Government. The CSC's responses generally talk around many of the issues and fail to get at the heart of the problems disclosed in the Investigative Staff's report and as evidenced by our prepared questions. Nevertheless, with respect to a number of the issues raised by the Investigative Staff, the CSC has indicated it has commenced corrective action, or intends to do so in the near future.

Since our report contains a number of specific recommendations for implementation by the CSC, it might be appropriate for the Committee to request the CSC Chairman to give full consideration to their implementation. Perhaps, during next year's hearings, the Committee may wish to cover the progress being made by the CSC in implementing these recommendations.

Respectfully submitted,

C. R. Anderson
C. R. Anderson
Chief of the Surveys and
Investigations Staff,
House Appropriations Committee

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INVESTIGATIVE STAFF COMMENTS ON CSC RESPONSESA. XD in GeneralA.1

During the period December 1, 1975, through March 18, 1976, the Investigative Staff was engaged in conducting its review of Executive Development (XD) Programs of the Federal Government and, for the purposes of the review, was located in the CSC's Bureau of Executive Manpower (BEM)--specifically in the locality of the XD Section Staff. This, of course, enabled the Investigative Staff to readily observe the XD Section in action. Based on these observations, as well as on a review and analysis of the Section's activities and work output, the Investigative Staff could only conclude the XD Section was not effectively carrying out its established XD functions. In this regard, not only was insufficient manpower devoted to the CSC's primary XD mission, but the manpower that was devoted to this mission was ineffectively utilized and managed. For example, the CSC response indicates that one of the employees detailed to the XD Section was assigned to work full-time on the FEDP-II program (see part IV, page 35, of Investigative Staff report). Moreover, another professional employee of the XD Section stated she had been devoting about 80 percent of her time to the FEDP effort. Furthermore, the Acting Chief of the XD Section devoted a minimum of 25 percent of his time to the FEDP effort. The Investigative Staff is of the opinion that, considering the scope and magnitude of XD in the Federal Government and the CSC's responsibilities in this connection, the FEDP effort is but "a drop in a bucket of water." To devote over 50 percent of XD staff time to the FEDP effort constitutes a gross misutilization of personnel and is indicative of a complete lack of understanding of the real XD priorities. Inasmuch as so much staff time is being devoted to the FEDP effort, this is, obviously, adversely impacting on the CSC's discharge of more important responsibilities such as the provision of on-site technical assistance to agencies and the evaluation of agencies' XD efforts. Yet, these areas are where the real need for CSC assistance lies.

The BEM would like to give everyone the impression that it is a "top flight" organization in sound control of the Government's XD problems. To this end it will go to almost any extreme to camouflage or inflate its real efforts in the XD area. Take, for example, its formal establishment of the Executive Manpower Management Technical Assistance Center (EMMTAC) in 1973. The EMMTAC was announced to all agencies and was envisioned to serve as the central point of contact within the CSC for advisory, consultative, and informative exchange services to agencies on all aspects of executive manpower management. While such a pretentious name would seem to imply a major XD effort over and above what the CSC's Bureau of Executive Manpower was already exercising, or was supposed to exercise; in reality, the establishment of the EMMTAC added nothing to

the BEM's technical assistance role. It did not result in any personnel being added to the XD staff. The EMMTAC is merely a "phantom" organization--it has no separate organizational existence apart from, or within, the XD Section. It is bureaucratic deceptiveness at its finest. The EMMTAC's primary activities consist of attending to incoming telephone calls from agencies on XD matters--a responsibility which was with the BEM from the first moment it assumed its XD role. Furthermore, an illustration of the priority which the BEM places on the EMMTAC role is evidenced by the many incoming calls which the Investigative Staff members had to take during their stay with the BEM, due to the absence of XD Section staff members to man the EMMTAC phones.

A.2

The CSC's response states: "We know that implementation of FPM Letter 412-2 is feasible because we have seen agencies make it work." However, the data gathered by the Investigative Staff from interviews with agency personnel clearly indicates that many agencies both perceive and are experiencing a number of difficulties in implementing the requirements of FPM Letter 412-2. Further, an unpublished BEM report, dated June 1975, notes that although agencies were required to implement FPM Letter 412-2 by September 30, 1974, as of December 31, 1974, "none of the major departments and agencies had met the basic FPM Letter 412-2 requirements." This report indicates that part of the reason for this noncompliance is the "extremely tight funding and personnel limitations imposed since FPM Letter 412-2 was issued."

Certainly there are sufficient indicators to question whether it is practicable (i.e., feasible) for all agencies to fully implement these requirements at this time. What is suggested by the Investigative Staff is that the CSC should review these difficulties and determine whether the FPM Letter requires modification and, if so, how such modification should be accomplished.

A.3

The CSC's response misinterprets the data revealed in the 1975 audit report issued by its Office of Management Analysis and Audits (OMAA). For example, the CSC's response indicates the audit's estimate of \$654,000 as the cost of the Executive Inventory is a hypothetical one designed to show only that such calculations could be made and did not purport to represent actual costs. This, however, is not the case. OMAA's audit report specifically states how the cost of the Executive Inventory was arrived at. The cost calculation is a "structured" calculation and is only hypothetical from the standpoint that certain elements of the cost calculation had to be estimated. OMAA's approach to estimating the cost of the Executive Inventory (including applicable costs of agencies) is a valid one. In this vein, OMAA's cost estimate is intended to represent the actual cost of the Executive Inventory as OMAA sees it (based on FY 1972 data).

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The nonagreement of the CSC with its own audit staff's estimate of the cost of the Executive Inventory is all the more reason for implementing the Investigative Staff's recommendation (number (9) on page 32 of the Investigative Staff's report) that the Executive Inventory be reevaluated by an independent review group to determine whether it is worth maintaining. This recommendation would seem even more justified considering the limited use of the Executive Inventory in selecting executives and the views of several top agency officials who, during the current Investigative Staff review, expressed concern regarding the worth of the Inventory.

In addition, the CSC's contention that the Executive Inventory was designed only as an "adjunct" to agency merit promotion plans seems at variance with a statement on page 4 of their May 1967 publication, "The Executive Inventory," which indicates that the Inventory will be the "prime source from which people will be selected to fill positions in the Executive Assignment System." However, the CSC's response indicates a total of only 28 positions were filled through the Inventory in 1975 (12 percent of 235 referrals). This does not constitute the use of the Executive Inventory as a prime source for filling executive vacancies.

Also, the CSC's response indicates the use of the Executive Inventory for a variety of statistical and information reporting purposes. Yet, the OMAA report indicates that the BEM "has other sources for at least some of the data" and concludes: "Given that we have over 6 years of experience with the Inventory, that we can get at least some statistics from the MIS and/or CPDF (Central Personnel Data File), and that the Inventory has data problems, * * * a detailed study is in order."

A.4

The CSC's response requires no comment by the Investigative Staff.

A.5

Actually, the real reason XD isn't a budget line item is the fear that, if it were, XD would be vulnerable to the budget cutting process. Thus, every effort is made to ensure XD remains hidden in the budget. The CSC response also appears to be in contradiction with OMB's approach, which attempts to isolate the dollars spent on XD as a measure of agency involvement and commitment.

A.6

Inasmuch as the CSC's response fails to mention the provision of any significant training of political appointees in the areas of standards of conduct and responsibilities for perpetuating the agency, one can assume that no such training has been rendered (note - the CSC's response mentions the "Public Service Briefing Program for Policy Executives;")

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however, an official of the CSC's Bureau of Executive Manpower advised the Investigative Staff that this program was a general orientation program for new executives and should not be equated with formal training).

A.7

The CSC's response requires no comment by the Investigative Staff.

A.8

The CSC's response requires no comment by the Investigative Staff.

A.9

The CSC's response requires no comment by the Investigative Staff.

A.10

The CSC's response requires no comment by the Investigative Staff.

A.11

Regarding the proven effectiveness of Federal training efforts, the CSC's response cunningly avoids the issue. Not one positive statement is made that the training in question has been evaluated and found to improve the quality and volume of employee production. Yet, this matter is the issue in question. In other words, why spend substantial Federal dollars for training whose worth is not being effectively assessed?

A.12

The Investigative Staff in no way intended to convey the impression that "hard" skills training comprises only a small portion of the total training that the Federal Government provides its employees. The Investigative Staff's comment and question relates to the fact that training in "hard" skills is often necessary and that such training can be measured and evaluated. Perhaps use of the term "hard" training poses a semantical problem. The Investigative Staff, for example, would include the dissemination of job-required information in its definition, e.g., those mentioned by the CSC in its response as examples of "other than 'hard' skills training."

What would not be included, however, is that type of training which is not closely related to job performance but, at most, provides the trainee with a "broadening horizons" experience. Examples of this would include an accountant taking astronomy as part of the EPM program (see page 84 of Investigative Staff report on XD), general academic theory courses, unevaluated fads (the management area is replete with these),

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and so on. The Investigative Staff believes that education in areas of personal interest are rewarding to the individual and "good" for him. The question raised, however, is whether this type of formal classroom experience materially affects his job performance and the overall functioning of the Government. One submits that there is a distinct difference between specific, practical training and broad, general education.

The instances of training by category cited by the CSC in its response adds little to its rationale. Given a list of categories, agency officials are smart enough to "rationalize" any training experience into a category that has been provided, whether it be of a "hard" or "soft" nature.

A.13

The CSC's response requires no comment by the Investigative Staff.

A.14

The CSC's response begs the issue. The CSC states: "The Commission rejects the assumption that training results in a loss of Federal productivity." The Investigative Staff never assumed this. The Investigative Staff's position is that a loss of productivity results whenever an employee is away from his job; e.g., attending a training class. Whether the impact of the training will have a beneficial impact on the employee's future productivity efforts remains to be seen. The impact of such training on improving an individual's work performance has not been effectively evaluated by the CSC or the agencies. To assume that the agencies' continuous demand for training for their employees is indicative of improved employee productivity as a result of such training is not a valid argument to support the worth of the Government's training efforts. Agencies make use of training for a variety of reasons, many of which are not directly related to the enhancement of productivity. For example, agencies often use training as a means of maintaining employee morale or as a means of rewarding certain employees for their good performance (e.g., 1 year of study at a university). Employees pressure their superiors for training because it looks good on their record or because they simply want a "break" from the daily office routine or the possibility of travel to some particular location. The possibility of future training at some prominent academic institution is also used to entice promising college graduates to enter the Federal service. Then too, training is often used by supervisors to temporarily rid themselves of problem employees, or employees who are surplus to the organization. Thus, one should not equate the "demand for training" with the "beneficial impact of training." They are often unrelated.

It is worth noting that, although the CSC states in its response that it has developed "training value models," it fails to indicate the success of these models in demonstrating that current training efforts are cost beneficial.

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A.15

The CSC's response requires no comment by the Investigative Staff.

B. FEDPs

B.1

The Investigative Staff's concern as to whether the Federal Executive Development Program (FEDP) is cost beneficial and in the best interest of the Federal Government is, unfortunately, heightened, rather than abated, by the CSC's response. The CSC states that FEDPs I and II should be viewed as "experimental programs" and that, based upon analysis, modifications were made in FEDP-II and FEDP-III. The basic concern of the Investigative Staff is whether the payoff for the FEDP is worth the cost. For example, the Investigative Staff learned that two of the four professionals in the Bureau of Executive Manpower's XD Section spent practically their full-time on FEDP-II--a program with only 27 participants and which affected only a small number of agencies. This staff effort could have been more effectively utilized by providing on-site technical guidance and assistance to agencies, monitoring agency progress, and resolving agency problems in the XD area.

The Investigative Staff also questions whether the CSC should have ever expected agencies to be "deeply involved" in the FEDP-I as it was superimposed on them and the apparent disincentives to full participation appeared to far outweigh (from an agency standpoint) any expected payoff.

In planning for FEDP-III, the CSC attempts to partially alleviate this problem by involving "agency personnel directors." Would it not be better (as recommended by the Investigative Staff) to also involve operating line managers whose full support is essential if the program is to be truly successful?

The CSC, in its response, readily admits: (1) That the "projected market for generalist supergrade managers had been overestimated" (note: this was a prime reason for establishing FEDP-I--as set forth in the "Preston proposal," the program's catalyst); and (2) that even after 2 years of experimentation "problems remain in meshing the FEDP concept with overall agency executive development efforts." Based on these comments, the Investigative Staff believes it is reasonable to question whether the program should be continued.

As a minimum, it is felt that the conclusion reached by the Investigative Staff, namely that "implementation of the program should be delayed until there is sound agreement as to the goals to be accomplished, the methodologies to be used, and the benefits to be derived--based on projected cost," should be seriously considered.

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B.2

The CSC's response requires no comment by the Investigative Staff.

C. The FEIC.1

The CSC's response fails to bring out all the facts in the selection of Charlottesville, Virginia, as the site for the Federal Executive Institute (FEI). An official of the University of Virginia (UVA) advised the Investigative Staff that the UVA had heard of proposed plans to establish the FEI and, consequently, forwarded a letter to then CSC Chairman Macy suggesting that the subject facility be located near the UVA because of the potential advantages of a university relationship and the relative proximity of Charlottesville to Washington, DC. This official further advised that the Director of the CSC's Bureau of Training then visited Charlottesville to review the situation. After a favorable inspection of the Thomas Jefferson Inn in Charlottesville by the Director of the Bureau of Training, the CSC, with the approval of the GSA, decided to establish the FEI at this location. The details regarding the consideration of other possible sites for the FEI were not disclosed during the Investigative Staff's review, nor have they been brought out in the CSC's response.

With respect to the comments of the CSC relative to the good FEI/UVA relationship, the Investigative Staff found several weaknesses in this relationship (see page 49 of Investigative Staff report). In fact, a part-time professor with the FEI, who is also an associate professor with the UVA, advised the Investigative Staff that the UVA was not supporting the FEI as much as it could. He characterized the relationship as being merely an "amiable" relationship.

C.2

The Investigative Staff does not fully agree with the CSC's response. The CSC seems to imply that it hasn't attempted to measure the real impact of FEI training on an individual's work performance because no such measurements are necessary in view of the FEI's institutional and faculty reputation, as well as its high rating by alumni. The CSC would rather have us look at the FEI as being beyond evaluation simply because it is an academic institution of reportedly high quality and one just doesn't question the worth or value of such institutions.

The Investigative Staff does not question the potential value of FEI training. What is important, however, is whether the potential benefits of FEI training are commensurate with its high cost, including the loss of productivity that occurs as a result of the trainee's absence from his job. Such evaluation takes on even greater importance in view

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of the uniqueness of FEI training and the fact that agencies use taxpayers' money to finance the cost of sending their employees to the Institute. As a result, the FEI is subject to closer scrutiny than, perhaps, similar private academic institutions.

The Investigative Staff believes many benefits can accrue to the FEI as a result of a rigid evaluation program; the most important being that FEI can better determine whether the right people are receiving FEI's training and can more effectively implement changes in program emphasis and delivery.

C.3

The position the CSC takes in its response is open to some criticism. The CSC simply assumes that a training program like the FEI is a capital investment in future improved productivity. Yet, the CSC has been unable to provide the Investigative Staff with any "hard" data that proves the FEI is cost-beneficial. Are there not other means to broaden the knowledge and skills of Government executives which are less costly than the FEI and which would result in the individual having to spend less time away from his job? The CSC does not address this matter, nor does it adequately address the issue of the impact on the agency as a result of the loss of one or more of its executives for a lengthy period of time (reference is specifically to the FEI's 7-week program). The CSC states that agencies normally provide replacements for the executives sent to FEI. But isn't it also true that such replacements themselves need replacements and who replaces the replacements and what is the impact on the agency as a result of perhaps a less experienced person replacing a key executive?

C.4

The CSC's response is at odds with the Investigative Staff's findings (see pages 52-55 of Investigative Staff's report). Moreover, the CSC brings up the fact that FEI programs are not restricted to the 7-week session only. The Investigative Staff is well aware of this; however, the comments and questions furnished the CSC pertain to the FEI's 7-week program, and it is incorrect to equate the 7-week program with the FEI's 3-week and 1-week programs as they are not comparable.

C.5

A major concern of the Investigative Staff during the recent review was the lack of coordination and an effective working relationship between the FEI and the Executive Seminar Centers. The CSC's response acknowledges that relationships between these organizations have been limited.

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C.6

The CSC's underlined statement is both incorrect and inappropriate. The Committee staff never concluded that some agencies would neglect long-term investment in improved executive personnel if it were not for the leadership of the CSC and its Bureau of Executive Manpower. In addition, the CSC's definition of leadership obviously differs from the Investigative Staff's definition.

C.7

The CSC's response requires no comment by the Investigative Staff.

C.8

The CSC's response does not provide any new justification for expanding the capacity of the FEI.

C.9

The CSC's response requires no comment by the Investigative Staff.

C.10

The CSC's response requires no comment by the Investigative Staff. However, see pages 46 and 47 of the Investigative Staff's report.

C.11

The CSC's response requires no comment by the Investigative Staff.

D. ESCs

D.1

The CSC has provided in its response a rationale for expanding the Executive Seminar Centers (ESCs) based upon a projection of agency demand; i.e., a willingness of the agencies to purchase spaces for such training by 1979-80. However, the point raised by the Investigative Staff, based on the findings of its review, is that a reevaluation of both the current and future roles of the ESCs is necessary. The Investigative Staff found that controversies relative to the ESCs' "Seminar for New Managers" (SNM) and "Seminar for Advancing Managers" (which together comprise over 50 percent of current ESC offerings) were so pronounced that a complete reevaluation of the setting and delivery process for these seminars is warranted (see pages 79-81 of the Investigative Staff's report).

Should it be decided to have the CSC's Regional Training Centers present these two seminars and/or reduce the SNM from 3 to 2 weeks (as the

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Investigative Staff recommended), such actions may negate the need to expand the ESCs.

D.2

The CSC's response fails to address the apparent duplication of management courses between the ESCs and the Regional Training Centers alluded to in the prefatory comment. Further, considering the negative reaction of the ESC Associate Directors towards offering the "Seminar for New Managers" and the "Seminar for Advancing Managers" and the questions raised by several concerning the appropriateness of their experience and background for teaching these courses, the last reason indicated in the CSC's response is open to serious question.

D.3

The Investigative Staff acknowledges that some limited efforts have been made by the CSC and the agencies to evaluate the impact of ESC training. However, in view of the magnitude of the ESC program in terms of man-years away from the job and dollar costs, what is still needed is a rigorous and structured evaluation program that will more finitely measure the usefulness and applicability of ESC training.

E. Other XD Sources

E.1

The CSC in its response appears to "beg the issue" and merely repeat the glittering generalities found in the EPM Program recruiting brochures. The CSC, as the lead organization for Federal personnel and training programs, cannot absolve itself from the responsibility for ensuring that tangible, job-related benefits accrue to agencies as a result of their participation in training programs, especially CSC-sponsored training programs.

The CSC should provide hard professional evaluation and tangible proof of the values that accrue to agencies as a result of EPM training. If the benefits to the Government are low in comparison to the high cost of the program, the CSC should relinquish its sponsorship of the program i.e., withdraw its favorable endorsement of the EPM Program. The CSC should also be a leader in developing less costly training approaches toward accomplishment of specific goals. In this regard, it is somewhat ironic that the "Key Executive Program," which the Investigative Staff believes represents a far better approach than the EPM Program, was established through the efforts of an OMB official, rather than through the efforts of the CSC.

The CSC also maintains that it continuously monitors the EPM program through meetings with university officials, agency trainers, and direct feedback from participants. It is rather difficult to discern how such monitoring would result in an objective evaluation of the impact of the EPM program on improving an employee's on-the-job performance. Surely other approaches are necessary such as obtaining the views of employees' supervisors and line managers, as well as tracking the employees' career pattern.

E.2

One cannot escape the fact that if an employee is absent from his job, regardless of the reason, his output will be lost (unless, of course, a comparable employee is temporarily hired to replace the absent employee). The Investigative Staff recognizes the fact that increased productivity may possibly occur as a result of appropriate training, thereby diminishing the adverse effects of the employee's absence from his job. However, unless an agency is overstaffed, the loss of a key employee for long-term training will normally have a negative impact on productivity. The Investigative Staff believes that this loss is one factor that must be considered in the selection of individuals for long-term training.

E.3

The Investigative Staff never inferred that the Brookings Institution (BI) should deliver "training" to Federal employees. What was emphasized was the fact that the BI is a prestigious and unique resource that is willing to contribute its particular talents and expertise to the development of Federal executives. The BI, for example, can assist the Government by: arranging joint Federal/Industry conferences, assisting the CSC and agencies with expert consultative services, providing senior career officials with both the physical facility and staff expertise needed for extended independent study, and "enticing" leading public figures to present seminars on a wide variety of issues for Federal executives (as it did in the FEDP-1).

In short, the BI represents an important, unique resource with the potential for furthering Federal XD efforts and for doing things that the Government may not always be able to do for itself. In this context, the Investigative Staff is of the opinion that the full potential of the BI is not currently being realized.